

COUNTY OF LAKE

State of California

Comprehensive Annual Financial Report
Fiscal Year Ended
June 30, 2017



Cathy Saderlund
Auditor-Controller

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**COUNTY OF LAKE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2017**

INTRODUCTORY SECTION

| | |
|-----------------------|---|
| Letter of Transmittal | 1 |
| Organizational Chart | 7 |

FINANCIAL SECTION

| | |
|--------------------------------------|----|
| Independent Auditors' Report | 8 |
| Management's Discussion and Analysis | 10 |

BASIC FINANCIAL STATEMENTS

| | |
|--|----|
| Government-Wide Financial Statements | |
| Summary of Net Position | 18 |
| Statement of Activities | 19 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet | 21 |
| Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities | 23 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds | 24 |
| Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities | 26 |
| Proprietary Funds | |
| Statement of Fund Net Position | 27 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position | 28 |
| Statement of Cash Flows | 29 |
| Fiduciary Funds | |
| Statement of Fiduciary Net Position | 31 |
| Statement of Changes in Fiduciary Net Position | 32 |
| Notes to Basic Financial Statements | 33 |
| Required Supplementary Information | |
| Schedule of Change in the Net Pension Liability and Related Ratios | 68 |
| Schedule of Contributions | 70 |
| Schedule of Funding Progress – Postemployment Health Plan | 71 |
| Budgetary Comparison Schedules | |
| General Fund | 72 |
| Housing Programs | 76 |

**COUNTY OF LAKE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2017**

| | |
|---|-----|
| Social Services | 77 |
| Health Programs | 78 |
| Disaster Response and Recovery | 79 |
| Notes to Required Supplementary Information | 80 |
| Supplementary Information | |
| Combining and Individual Fund Statements and Schedules | |
| Nonmajor Government Funds | |
| Description | 82 |
| Combining Balance Sheet | 85 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 95 |
| Budgetary Comparison Schedules | |
| General Fund | 105 |
| Park Development Quimby | 106 |
| Community Development | 107 |
| Geothermal Resource Royalties | 108 |
| Fish and Game | 109 |
| Special Aviation | 110 |
| Special Districts Administration | 111 |
| Sheriff Programs | 112 |
| District Attorney Programs | 113 |
| Animal Medical Clinic | 114 |
| Middletown Sewer | 115 |
| IHSS Public Authority | 116 |
| Recorder Programs | 117 |
| Air Quality District | 118 |
| CDBG Programs | 119 |
| Child Support Services | 120 |
| Museum | 121 |
| Library | 122 |
| Lakebed Management | 123 |
| Kelseyville Waterworks District | 124 |
| Behavioral Health Programs | 125 |
| Lake County Housing Commission | 126 |
| Watershed Protection Districts | 127 |

**COUNTY OF LAKE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2017**

| | |
|--|-----|
| County Service Areas | 128 |
| Lighting Districts | 129 |
| Sheriff Motor Pool | 130 |
| Sanitation Districts | 131 |
| Public Safety Facilities – Capital Projects Fund | 132 |
| Special Projects – Capital Projects Fund | 133 |
| CDBG – Capital Projects Fund | 134 |
| Lampson Airport – Capital Projects Fund | 135 |
| Internal Service Funds | |
| Description | 136 |
| Combining Statement of Net Position | 137 |
| Combining Statement of Revenues, Expenses, and Changes in Fund Net Position | 139 |
| Combining Statement of Cash Flows | 141 |
| Trust and Agency Funds | |
| Combining Statement of Fiduciary Net Position – Investment Trust Funds | 145 |
| Combining Statement of Changes in Fiduciary Net Position – Investment Trust Funds | 146 |
| Combining Statement of Assets and Liabilities – Agency Funds | 147 |
| Combining Statement of Changes in Assets and Liabilities – Agency Funds | 148 |
| STATISTICAL SECTION | |
| Narrative Summary | 149 |
| Government-Wide Net Position by Component | 150 |
| Changes in Net Position | 152 |
| Fund Balances, Governmental Funds | 156 |
| Changes in Fund Balances, Governmental Funds | 158 |
| Assessed Value of Taxable Property and Actual Value of Property | 160 |
| Property Tax Rate – Direct and Overlapping Governments | 161 |
| Principal Property Taxpayers | 162 |
| Property Tax Levies and Collections | 163 |
| General Governmental Tax Revenue by Source | 164 |
| Ratios of Outstanding Debt by Type | 165 |
| Ratios of General Bonded Debt Outstanding | 167 |

**COUNTY OF LAKE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2017**

| | |
|---|-----|
| Legal Debt Margin Information | 168 |
| Demographic and Economic Indicators | 170 |
| Principal Employers | 171 |
| County Employees by Function/Program | 172 |
| Operating Indicators by Department/Function | 174 |

INTRODUCTORY SECTION

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COUNTY OF LAKE

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Cathy Saderlund
Auditor-Controller/County Clerk

Carol J. Huchingson
County Administrative Officer

February 20, 2018

The Honorable Board of Supervisors
County of Lake
255 N. Forbes Street
Lakeport, CA 95453

To the Board of Supervisors and Citizens of Lake County

It is our pleasure to present the County of Lake Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This report is submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Responsibility for the accuracy of data, and the completeness and fairness of the presentation rests with management. To the best of our knowledge and belief, the data presented are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the County of Lake.

Independent auditor CliftonLarsonAllen, LLP Certified Public Accountants, has issued an unmodified ("clean") opinion on the County of Lake's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) provides a narrative introduction, overview and analysis of the financial statements. It is located immediately following the independent auditor's report and serves to complement this letter of transmittal.

Profile of the Government

Established in 1861, Lake County is a general law county governed by a five-member Board of Supervisors. The County encompasses 1320 square miles and is divided into five supervisorial districts. Policy making and legislative authority rests with the five-member County Board of Supervisors who serve four-year staggered terms. The Board of Supervisors uses the appointed County Administrative Officer organizational structure to carry out policies set forth by County Ordinance and Resolution. Other elected officials of the County of Lake are the Assessor-Recorder, District Attorney, Auditor-Controller/County Clerk, Sheriff-Coroner and Treasurer-Tax Collector. The voters of Lake County choose these public officials for four-year terms. Additional management consists of sixteen department heads appointed by the Board of Supervisors, one appointed by the University of California, and one appointed by the Lake County Superior Court Judges.

California counties are a political subdivision of the State of California and serve the needs of residents within the boundaries of each individual county. Lake County serves the needs of local residents by providing public safety, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. The County also acts as an administrative agent for state and federal government programs and services.

The County is required by state law to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for all governmental and

proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets, and fund balance categories, which are maintained at the line item level. The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the County Administrative Officer.

Policy and Executive

Mokey Simon
Supervisor, District 1

Jeffrey Smith
Supervisor, District 2

Jim Steele
Supervisor, District 3

Tina Scott
Supervisor, District 4

Rob Brown
Supervisor, District 5

Carol J Huchingson
County Administrative Officer

Anita Grant
County Counsel

Law Enforcement/Public Safety

Brian Martin
Sheriff-Coroner

Don Anderson
District Attorney

Bill Davidson
Animal Control Director

Rob Howe
Probation Officer

Health and Public Assistance

Denise Pomeroy
Health Services Director/VSO

Doug Gearhart
Air Pollution Control Officer

Gail Woodworth
Director of Child Support Services

Todd Metcalf (interim)
Behavioral Health Director

Crystal Markytan
Social Services Director

Community Resources and Facilities

Steve Hajik
Agricultural Commissioner

Christopher Veach
Librarian

Lars Ewing
Public Services Director

Jan Coppinger
Special Districts Administrator

Greg Giusti
UC Coop/Farm Advisor

Robert Massarelli
Community Development Director

Scott DeLeon
Public Works Director/DWR

General Government and Support Services

Richard Ford
Assessor-Recorder

Barbara Ringen
Treasurer-Tax Collector

Cathy Saderlund
Auditor-Controller/County Clerk

Kathy Ferguson
Human Resources Director

Diane Fridley
Registrar of Voters

Shane French
Information Technology Director

County Geography and Demographics

Lake County is located a 2 hour drive time from the San Francisco Bay area and the Sacramento metropolitan area. It is approximately 127 road miles north of San Francisco, 126 road miles west of Sacramento, and 80 road miles east of the Pacific Coast. Lake County is bordered by the counties of Napa, Sonoma, Mendocino, Glenn, Colusa and Yolo and covers an area of approximately 803,840 acres.

COUNTY POPULATION
LAST TEN FISCAL YEARS



The State Department of Finance estimated Lake County's population as of January 1, 2017, to be 64,945. The population for the two cities in Lake County, Clearlake and Lakeport as of January 1, 2017, was estimated to be 15,531 and 4,786 respectively.

Economic Condition and Outlook

During fiscal year 2016/2017, Lake County's economic condition and outlook was dramatically impacted by ravaging wildfires, starting with the Rocky Fire in July 2015. This state and local disaster exceeded and

overwhelmed local resources requiring assistance under the California Disaster Assistance Act (CDAA). Approximately 96 structures were lost in the Rocky Fire, 43 of which were residential. Not long after the Rocky Fire came the Jerusalem Fire necessitating further assistance under CDAA. An additional 27 structures were lost in the Jerusalem Fire, of which 6 were residences. On September 12, 2015, the Valley Fire struck, far surpassing the magnitude of the earlier fires. The Valley Fire destroyed 1,280 homes and was declared a federal disaster.

On August 13, 2016, the Clayton Fire ignited just south of the community of Lower Lake destroying at least 300 structures, 190 of which are single family residences. The impact of the Clayton Fire will be discussed more in-depth in next year's report. However, brief reference to it is included herein to note that all total, during the 13 month period culminating in August 2016, a staggering 22% of Lake County's total land mass has been incinerated by these 4 massive wildfires.

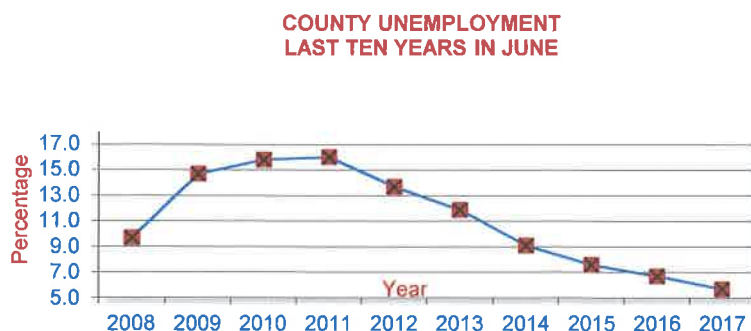
Since the Rocky, Jerusalem and Valley Fires, staff has been actively focused on extensive recovery efforts and on navigating the complex world of disaster finance while struggling to preserve the financial well-being of local government. The disasters have severely impacted Lake County's budgets for at least the next few years while recovery is ongoing:

Economic impacts of the Rocky, Jerusalem and Valley Fires include, but are not limited to:

- **Property Tax Loss:** Tax rolls now demonstrate that the total actual loss of property tax from the three major wildfires of 2015 will exceed \$2,000,000 inclusive of all entities reliant on property tax. Going forward, this loss will be substantially offset by the rebuilding of properties lost in the fire as well as increases in the roll value of those properties not impacted by the fire.
- **Geothermal Royalties:** Lake County's geothermal royalty revenues have been significantly impacted with two cooling towers destroyed in the Valley Fire. Only one of the destroyed plants has come back online. Total losses for 2016/2017 are estimated at \$300,000 and will continue in future years as well.
- **Transient Occupancy Tax (TOT):** Much of Lake County's economy is tied to the tourist industry. The widespread negative publicity the County has received about the wildfires and the damage done to much of the County's landscape and infrastructure is detrimental to our ongoing efforts to attract tourists. The loss of TOT, estimated at \$120,000 per year, will continue for at least two years.

Until recently, construction permits had also been a decreasing revenue source, declining by about 30% annually each year from fiscal year 2006/2007 to 2009/2010 and an additional 9% in fiscal year 2010/2011. This revenue began increasing modestly in fiscal year 2011/2012 and continued a steady increase totaling 42% through fiscal year 2014/2015. In fiscal year 2016/2017, construction activity increased substantially due to fire recovery and rebuilding efforts resulting in a 63% increase in permit revenue.

Notwithstanding the economic impact of the wildfire disasters, County staff is cautiously optimistic that the real estate market in Lake County will continue to see an upward trend in the coming years. One additional sign of a recovering economy in Lake County is that after declining for several years following the recession, sales taxes began increasing in fiscal year 2011/2012 reaching 95% of the amount received in fiscal year 2008/2009, and now have stabilized at pre-recession levels.



As of June 2017, the County's unemployment rate was 5.7% and Lake County continues to be ranked number 34 out of 58 counties. The statewide average at that same time was 4.9%. The County unemployment rate during June of the previous year was 6.9%, an indicator of an improving unemployment rate in the County, yet still below the statewide average.

County Budget Overview

Even in the wake of disaster, the County's fiscal year 2016/2017 budget is responsible and sustainable, focusing on maintenance of fiscal solvency both short and long-term. The budget strives to minimize negative impacts on service levels and where possible, improves services. The General Fund portion of the budget required the use of one-time funds, in order to be balanced. To do otherwise would have necessitated deep layoffs, rendering County departments unable to maintain basic service levels and preventing other impacted departments from providing essential services related to disaster recovery. Without disaster recovery and rebuilding, property tax revenues will never be restored.

County staff is committed to very conservative budgets for the next few years while we incrementally reduce our reliance on one-time funds to balance the budget. To fill this gap during these lean years, Fund 156 (formerly known as, "Economic Stabilization Reserve") has been renamed, "Budget Stabilization Reserve" and increased, using fund balance carryover from prior year. This fund will be used to reduce reliance on one-time funds and per our estimates, restore a structurally balanced budget within three years. Despite the use of one-time funds to balance the General Fund budget as noted above, "General Reserves" totaled \$7,000,000 at the end of fiscal year 2015/2016 which represents 14.4% of total General Fund expenditures.

County department heads, both elected and appointed, work cooperatively and successfully with the County Administrative Officer and Board of Supervisors on budget and fiscal matters. County leaders are continually seeking opportunities for improving efficiencies within our organization.

Major Accomplishments and Goals

During the fiscal year ending June 30, 2017, County departments accomplished many objectives and continued progress in many areas while successfully performing their day-to-day responsibilities and duties. Examples include the following:

- Completed renovations of the Gard Street School to use as offices for the Child Support Services Department.
- Completed park projects throughout the County, including the Middletown Square Plaza, Hammond Park and Kelseyville Skate Park
- Closed the Juvenile Home, entering into a contract with Mendocino County to house juvenile detainees from Lake County
- Completed the power upgrade to the County's primary communications site providing sufficient power for existing tenants to operate without generators and opportunities to attract new tenants.

Future goals for fiscal year 2016/2017 include:

- Adopt an updated Zoning Ordinance.
- Sell the Holiday Harbor property.
- Complete the Clearlake Oaks sidewalk project improving pedestrian safety, especially that of school children
- Begin the planning phase for modifications to the jail's central control facility.
- Place earthquake insurance on selected county facilities.
- Continue road and bridge reconstruction in the fire areas.
- Begin the planning phase for consolidation of water systems impacted by the fires.

Financial Information and Condition

The management of the County of Lake is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. This evaluation of cost to benefit requires estimates and judgments by management.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit report, which is issued as a separate document.

The accounting methods and procedures adopted by the County of Lake conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

The County maintains budgetary controls to ensure compliance with the legal provisions contained in the annual appropriated budget approved by the County Board of Supervisors under the provision of Sections 29080-29093 of the Government Code. Those provisions set timelines and requirements for establishing a county budget each fiscal year. The County of Lake Board of Supervisors, in conjunction with the Auditor-Controller, efficiently and responsibly adheres to those provisions.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year-end.

Blended Component Units

Entities included in the County's reporting entity as component units because of their operational and financial relationship with the County and because the Lake County Board of Supervisors also serves as their governing board are the Air Quality District, the Watershed Protection District, the County Service Areas, the Lighting Districts, the Sanitation Districts, the Lake County Housing Commission, the Lake County Redevelopment Agency Successor Agency, and the Lake County Public Financing Authority.

Discretely Presented Component Units

The County of Lake has no component units which meet the criteria for discrete presentation.

Cash Management

The County's investment policy is to minimize credit and market risks while maintaining liquidity and a competitive yield on its portfolio. Cash is pooled for the purpose of increasing interest through investment activities. The County's Treasury Oversight Committee was disbanded by the Board of Supervisor's in 2010 in favor of an Annual Treasury Meeting held each February. The Annual Treasury Meeting, external audits and quarterly reports to the Board of Supervisor's, Auditor-Controller and Administrative Officer exist to provide a level of assurance over the investment activities of the County Treasury.

Debt Administration

The County has \$29,172,548 of direct debt outstanding as of June 30, 2017. This includes general obligation and special assessment bonds with County commitment, revenue bonds, loans, certificates of participation, closure/post closure liability, and compensated absences. Activities related to existing long-term debt can be found in the Notes to the Basic Financial Statements, Note 4.

Risk Management

The County has a Risk Management program operated through the County Counsel's Office that handles administration of its Risk Management Funds (Internal Service Funds). These funds are retained to finance insured and uninsured risks of loss. The County's uninsured risk of loss for public liability claims is \$10,000 per occurrence; the County is fully insured for workers' compensation losses; and the County is fully self-insured for all unemployment claims. The County is a member of the County Supervisors Association of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for counties. The County pays an annual premium to the Authority for insurance coverage. All funds

within the County participate in the program and make payments to the Risk Management Fund based on actuarial estimates of prior and current claims with an allowance for establishing reserves.

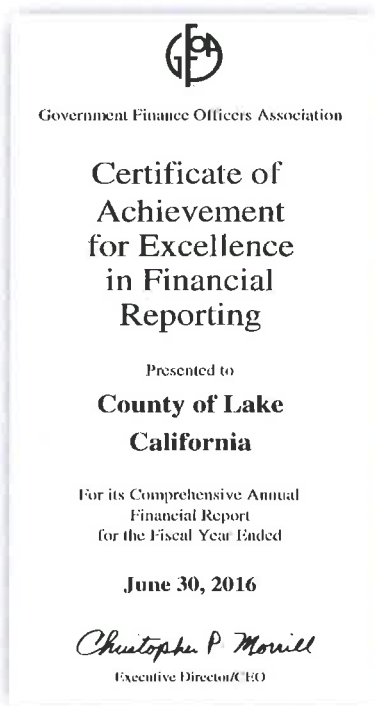
Other Information

California Government Code requires an annual audit of the books of accounts, financial records, and transactions of all offices of the County by independent certified public accountants. The County Audit Committee selected Gallina, LLP, Certified Public Accountants to perform this requirement for fiscal year ending June 30, 2017. The audit was designed to meet the requirements of the Single Audit Act and related U.S. Office of Management and Budget's Circular A-133, in addition to requirements set forth by state statutes. The independent auditor's report on the general purpose financial statements and individual fund statements and schedules is included in the financial section of this report. The supplementary auditor report of internal control and compliance with applicable laws and regulations is issued separately.

As required of a government of our size, this report has been prepared in conformity with Governmental Accounting Standards Board Statement 34. As mentioned previously, this letter of transmittal should be used as a supplement to the Management Discussion and Analysis (MD&A) which can be found preceding the basic financial statements contained within.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lake County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This is the thirteenth year the County has received this recognition. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.




The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of Comprehensive Annual Financial Statements is possible only through the effort and determination of those involved in the preparation. The staff in the Auditor-Controller's Office, with the support of the County Administrative Office was dedicated to completing this document efficiently and with the highest standard of excellence and transparency. We would like to also thank those departments involved in the preparation of this document, as well as our external auditors, CLA LLP for their assistance in helping us to produce a quality document.

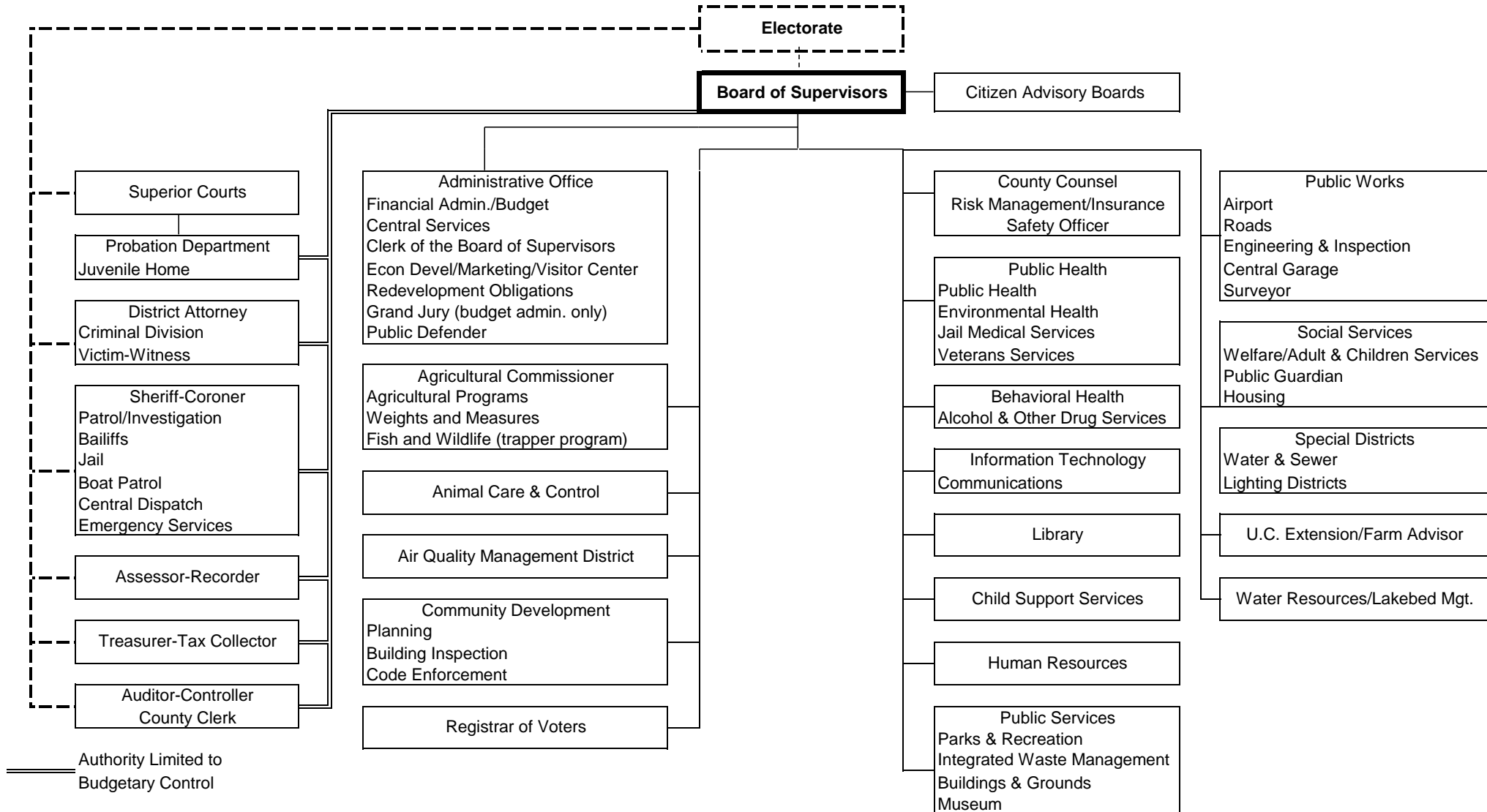
As always, we applaud the County Board of Supervisors for their continued efforts to maintain the fiscal health of Lake County, while striving to address the issues important to the citizens of Lake County.

Respectfully submitted,


Cathy Saderlund
Auditor-Controller


Carol J. Huchingson
County Administrative Officer

COUNTY OF LAKE
ORGANIZATIONAL CHART



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors and Grand Jury
County of Lake
Lakeport, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Lake, California (the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of change in the net pension liability and related ratios and schedule of contributions, schedule of funding progress – other post-employment benefits, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lake's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
February 20, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

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County of Lake Management's Discussion and Analysis

As management of the County of Lake, California, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

Government Wide

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of fiscal year June 30, 2017 by \$199,421,502 (*total net position*):

- \$160,428,987 is net investment in capital assets.
- \$ 63,372,538 is restricted for specific purposes (*restricted*)
- -\$24,380,023 in unrestricted will be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net position increased by \$7,062,250:

- This total net position increase is primarily comprised of a \$3,082,145 decrease in unrestricted as a result of significant decreases in program revenues, \$3,131,585 increase in restricted and a \$7,012,810 increase in capital assets net of related debt.
- Revenues exceeded Expenses by \$11,562,250.

As of June 30, 2017, the County's governmental funds reported combined fund balances of \$87,854,921, a decrease of \$4,109,001. Approximately 26% of the combined fund balances, \$23,084,408, is available to meet the County's current and future needs (committed, assigned, and unassigned).

- At the end of the current fiscal year, the assigned/unassigned fund balance for the general fund was \$19,530,732, or 40% of total general fund expenditures. The entire \$19,530,732 has been designated for specific purposes per the County Board of Supervisors and is intended for those purposes only.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g. long-term notes loans and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same governing board as the County.

Component units for the County include the Air Quality District, the Lake County Housing Commission, the Watershed Protection Districts, the County Service Areas, the Lighting Districts, Lake County Redevelopment Successor Agency, In-Home Supportive Services Public Authority, Lake County Public Financing Authority and the Sanitation Districts. A separate financial statement is prepared for the Lake County Housing Authority and the financial statements of which can be obtained by writing to the Auditor-Controller's Office, 255 North Forbes Street, Lakeport, CA 95453.

The government-wide financial statements can be found on pages 18 – 20 of this report.

Fund financial statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide financial statement in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains governmental funds organized according to their type—special revenue, debt service and capital projects. The County segregates from the General Fund a number of significant functions in major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Housing Programs, Health Programs, Social Services and Disaster Response and Recovery, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of *combining statements* located in the *Combining and Individual Fund Statements and Schedules* section of this report.

The County adopts an annual appropriated budget for all of its operating funds. A budgetary comparison schedule has been provided for the General Fund and major special revenue funds to demonstrate performance against this budget.

The governmental funds financial statements can be found on pages 21 – 26 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for Solid Waste Management. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for Unemployment Insurance, Public Liability Insurance, Workers' Compensation Insurance, Employee Health/Wellness, Heavy Equipment Rental, Fleet Maintenance, and Central Garage. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste Management, which is considered to be a major fund of the County. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non major internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 27 – 30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 31 – 32 of this report.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the basic financial statements can be found on pages 33 – 67 of this report.

Required Supplementary Information. The Required Supplementary Information follows the Notes to the basic financial statements and contains budgetary comparison schedules for the General Fund by function along with major special revenue funds. Further information relative to this information is contained in the notes to required supplementary information.

The required supplementary information can be found on pages 68 – 81 of this report.

Supplementary Section. The Supplementary section contains the combining and individual fund statements and schedules for all non major funds.

The supplementary section can be found on pages 82 – 148 of this report.

Statistical Section. The Statistical section contains statistical information as required of GASB Statement No. 44, Economic Condition Reporting. The focus of the Statistical section is the primary government.

The statistical section can be found on pages 149 – 179 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$199,421,502 the close of the most recent fiscal year.

| County of Lake Summary of Net Position as of June 30 | | | | | | | | |
|---|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | | Total | |
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | Dollar Change | Percent Change |
| Assets: | | | | | | | | |
| Current and other assets | \$ 112,455,722 | \$ 116,954,819 | \$ 21,213,838 | \$ 23,939,974 | \$ 133,669,560 | \$ 140,894,793 | \$ 7,225,233 | 5% |
| Capital assets | 160,757,516 | 166,502,855 | 6,052,327 | 5,937,701 | 166,809,843 | 172,440,556 | 5,630,713 | 3% |
| Total assets | 273,213,238 | 283,457,674 | 27,266,165 | 29,877,675 | 300,479,403 | 313,335,349 | 12,855,946 | 4% |
| Deferred outflows of resources: | | | | | | | | |
| Deferred pensions | 6,410,577 | 19,358,945 | 90,970 | 274,715 | 6,501,547 | 19,633,660 | 13,132,113 | 100% |
| Liabilities: | | | | | | | | |
| Current and other liabilities | 14,917,621 | 21,348,931 | 193,961 | 114,808 | 15,111,582 | 21,463,739 | 6,352,157 | 42% |
| Long-term liabilities | 78,818,895 | 95,191,274 | 14,020,517 | 14,127,036 | 92,839,412 | 109,318,310 | 16,478,898 | 18% |
| Total liabilities | 93,736,516 | 116,540,205 | 14,214,478 | 14,241,844 | 107,950,994 | 130,782,049 | 22,831,055 | 21% |
| Deferred inflows of resources: | | | | | | | | |
| Deferred pensions | 6,601,616 | 2,750,026 | 70,088 | 15,432 | 6,671,704 | 2,765,458 | (3,906,246) | 100% |
| Net Position: | | | | | | | | |
| Net investment in capital assets | 147,363,850 | 154,491,286 | 6,052,327 | 5,937,701 | 153,416,177 | 160,428,987 | 7,012,810 | 5% |
| Restricted | 60,240,953 | 63,372,538 | - | - | 60,240,953 | 63,372,538 | 3,131,585 | 5% |
| Unrestricted | (28,318,120) | (34,337,436) | 7,020,242 | 9,957,413 | (21,297,878) | (24,380,023) | (3,082,145) | 14% |
| Total net position | \$ 179,286,683 | \$ 183,526,388 | \$ 13,072,569 | \$ 15,895,114 | \$ 192,359,252 | \$ 199,421,502 | \$ 7,062,250 | 4% |

Analysis of Net Position

The largest portion of the County's net position \$160,428,987 or 80%, is its investment in capital assets (e.g. land, building, improvements, equipment, park facilities and infrastructure—roads, bridges, water and sewer systems), which is shown less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens. These assets are *not* available for future spending.

Restricted net position of \$63,372,538 represents resources that are subject to external restrictions on how they may be used by enabling legislation. The remaining -\$24,380,023, unrestricted net position, is an increase of 14% from the prior year and is the change in resources available to fund County programs to citizens and debt obligations to creditors. The majority of the positive unrestricted net position resides in the County's General Fund and the negative unrestricted net position is the result of the County's unfunded pension and OPEB obligations.

At the conclusion of the fiscal year June 30, 2017 the County is able to report positive balances in investment in capital assets and restricted, while unrestricted remained negative due to the County's unfunded pension and OPEB obligations. Total net position remained positive, for the government as a whole.

| County of Lake Changes in Net Position as of June 30 | | | | | | | | |
|---|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | | Total | |
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | Dollar Change | Percent Change |
| Revenues | | | | | | | | |
| Program Revenues: | | | | | | | | |
| Charges for Services | \$ 32,190,191 | \$ 30,819,647 | \$ 16,870,395 | \$ 5,258,022 | \$ 49,060,586 | \$ 36,077,669 | \$ (12,982,917) | -26% |
| Operating grants and contributions | 89,602,737 | 84,606,319 | 52,208 | 75,845 | 89,654,945 | 84,682,164 | (4,972,781) | -6% |
| Capital grants and contributions | 4,303,438 | 4,164,473 | - | - | 4,303,438 | 4,164,473 | (138,965) | -3% |
| Total program revenues | 126,096,366 | 119,590,439 | 16,922,603 | 5,333,867 | 143,018,969 | 124,924,306 | | |
| General Revenues: | | | | | | | | |
| Property taxes | 26,814,811 | 27,238,046 | - | - | 26,814,811 | 27,238,046 | 423,235 | 2% |
| Sales and use taxes | 2,606,804 | 3,402,000 | - | - | 2,606,804 | 3,402,000 | 795,196 | 31% |
| Transient occupancy taxes | 713,172 | 449,485 | - | - | 713,172 | 449,485 | (263,687) | -37% |
| Property transfer taxes | 378,031 | 497,047 | - | - | 378,031 | 497,047 | 119,016 | 31% |
| Franchise taxes | 670,775 | - | - | - | 670,775 | - | (670,775) | -100% |
| Aircraft taxes | 12,811 | 12,669 | - | - | 12,811 | 12,669 | (142) | -1% |
| Timber yield taxes | 12,995 | 35,562 | - | - | 12,995 | 35,562 | 22,567 | 174% |
| Interest and investment earnings | 829,984 | 1,454,567 | 68,971 | 184,564 | 898,955 | 1,639,131 | 740,176 | 82% |
| Transfers | - | - | - | - | - | - | - | - |
| Miscellaneous | 248,597 | 249,652 | 200 | 2,131 | 248,797 | 251,783 | 2,986 | 1% |
| Total general revenues | 32,287,980 | 33,339,028 | 69,171 | 186,695 | 32,357,151 | 33,525,723 | | |
| Total revenues | 158,384,346 | 152,929,467 | 16,991,774 | 5,520,562 | 175,376,120 | 158,450,029 | (16,926,091) | -10% |
| Expenses | | | | | | | | |
| General government | 11,857,357 | 12,508,199 | - | - | 11,857,357 | 12,508,199 | 650,842 | 5% |
| Public protection | 48,942,512 | 42,163,755 | - | - | 48,942,512 | 42,163,755 | (6,778,757) | -14% |
| Public ways and facilities | 15,245,885 | 14,593,617 | - | - | 15,245,885 | 14,593,617 | (652,268) | -4% |
| Health and sanitation | 26,374,767 | 26,450,525 | - | - | 26,374,767 | 26,450,525 | 75,758 | 0% |
| Public assistance | 43,073,851 | 44,217,861 | - | - | 43,073,851 | 44,217,861 | 1,144,010 | 3% |
| Education | 1,219,463 | 1,273,021 | - | - | 1,219,463 | 1,273,021 | 53,558 | 4% |
| Culture and recreation | 1,818,386 | 2,294,310 | - | - | 1,818,386 | 2,294,310 | 475,924 | 26% |
| Solid Waste Management | - | - | 10,302,059 | 2,698,017 | 10,302,059 | 2,698,017 | (7,604,042) | -74% |
| Interest on long-term debt | 558,711 | 688,474 | - | - | 558,711 | 688,474 | 129,763 | 23% |
| Total expenses | 149,090,932 | 144,189,762 | 10,302,059 | 2,698,017 | 159,392,991 | 146,887,779 | (12,505,212) | -8% |
| Change in net position before special item | 9,293,414 | 8,739,705 | 6,689,715 | 2,822,545 | 15,983,129 | 11,562,250 | (4,420,879) | -28% |
| Special Item | - | (4,500,000) | - | - | - | (4,500,000) | (4,500,000) | |
| Change in net position | 9,293,414 | 4,239,705 | 6,689,715 | 2,822,545 | 15,983,129 | 7,062,250 | (8,920,879) | |
| Net position - July 1 | 169,993,269 | 179,286,683 | 6,382,854 | 13,072,569 | 176,376,123 | 192,359,252 | 15,983,129 | 9% |
| Prior period adjustment | - | - | - | - | - | - | - | 0% |
| Net position - July 1, restated | 169,993,269 | 179,286,683 | 6,382,854 | 13,072,569 | 176,376,123 | 192,359,252 | 15,983,129 | 0 |
| Net position - June 30 | \$ 179,286,683 | \$ 183,526,388 | \$ 13,072,569 | \$ 15,895,114 | \$ 192,359,252 | \$ 199,421,502 | 7,062,250 | 4% |

As listed in Financial Highlights, the County's net position increased by \$7,062,250 during the June 30, 2017 fiscal year, as a result of increased program revenues.

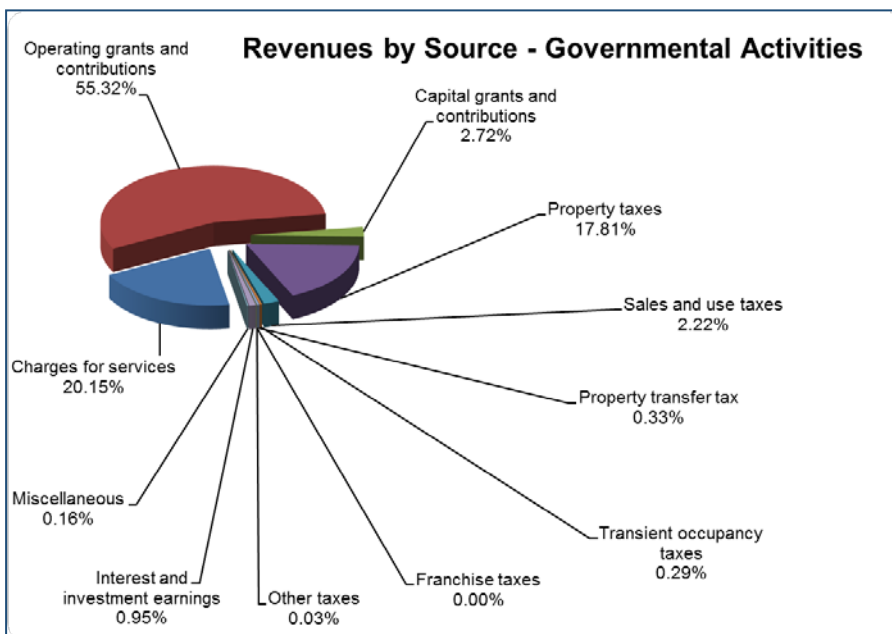
Governmental activities. Governmental activities increased the County's net position by \$8,739,705 before special item to \$183,526,388, a 2.3% increase. This increase was 76% of the County's total increase in net position with both revenues and expenditures decreasing \$5,454,879 and 4,901,170 respectively; along with an special expense of \$4,500,000 for a settlement.

Revenues. The total revenue decrease of \$5,454,879, or 3.6%, to \$152,929,467 is divided into two categories: Program Revenues and General Revenues.

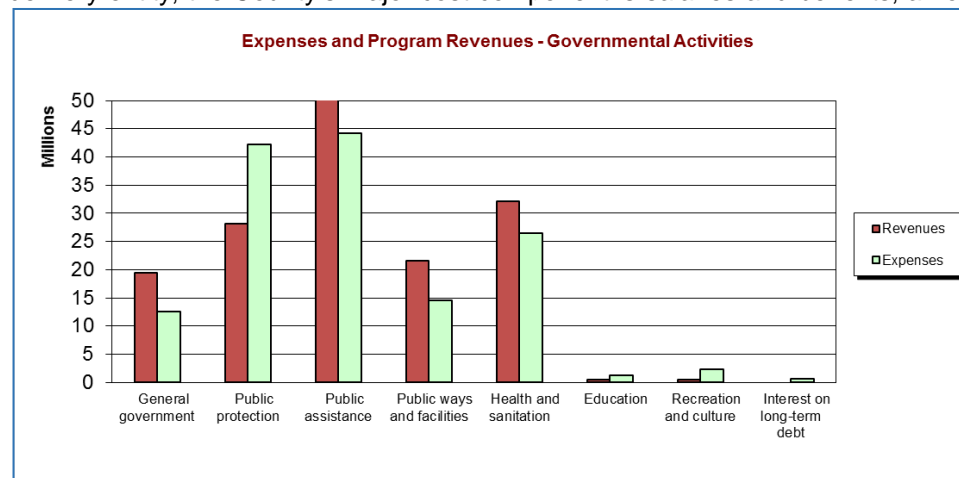
Program Revenues had an overall decrease of \$6,505,927, or 5.2%, to \$119,590,439 from the prior year. As an arm of the State government, a significant portion of charges for services and operating grants and contributions are tied to mandated services such as public assistance, health and behavioral health services. Total program revenues represent 80% of the County's funding for governmental activities.

Charges for services decreased by \$1,370,544, or 4.3%, to \$30,819,647 due to a combination of minor increases in revenues for licenses and permits, fines and forfeitures, recording fees; as well as a reclassification of franchise fees from general revenue to charges for services. *Operating grants and contributions* (intergovernmental revenues) decreased by \$4,996,418 or 5.6%, to \$84,606,319 primarily due to decreasing public assistance revenues. *Capital grants and contributions* (intergovernmental revenues) decreased \$138,965, or 3.2%, to \$4,164,473 and remained relatively stable when compared with prior year.

General revenues had an overall decrease of \$1,051,048, or 3.3%. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. The increase was property taxes \$423,235 or 1.6%; sales and use taxes \$795,196 or 30.5%; transfer taxes \$119,016 or 31.5%; other taxes \$22,425 or 86.9%; interest and investment earning \$624,583 or 75.3%; miscellaneous \$1,055 or .4%; and a decrease in transient occupancy \$263,687 or 37%; as well as the reclassification of franchise fees of \$670,775 as stated above.



Expenses. Expenses decreased by \$4,901,170, or 3.3%, to \$144,189,762 over the prior year. As a service delivery entity, the County's major cost component is salaries and benefits, amounting to 49% of the total County expenses.

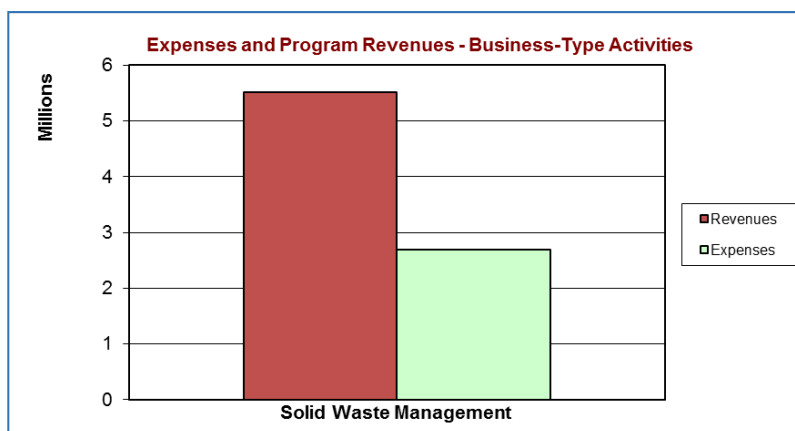
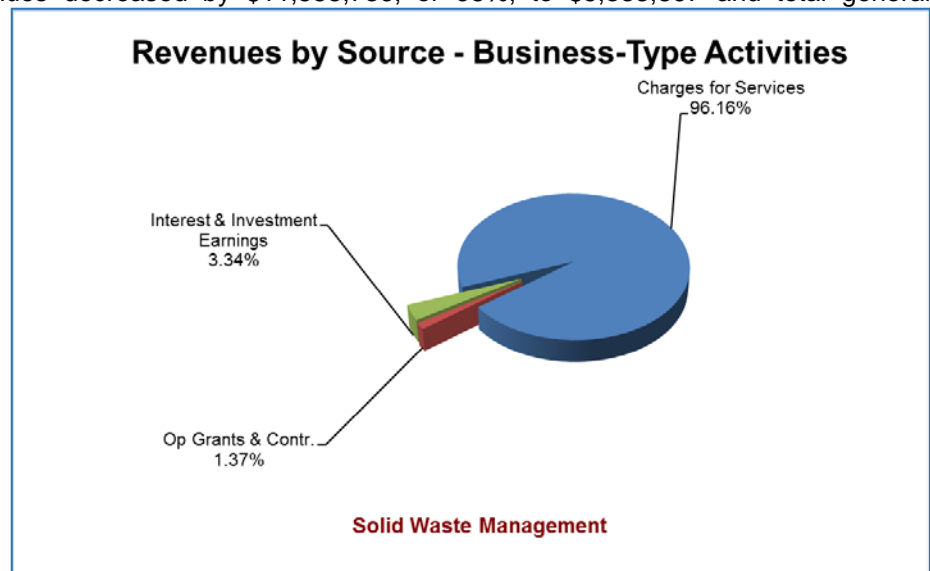


The County's average full-time equivalent (FTE) count for the County (including business-type activities) had a net increase of 6.58 FTEs from 1001.75 in the prior year to 1008.25 as of June 30, 2017. The change in FTE was primary in the Health Services where funding is provided through State and Federal sources. Salary and benefit expenditures decreased by 4% overall, with services and supplies decreased by 14%.

The overall \$4,901,170 decrease, or 3.3% decrease was primarily as a result of a leveling out of expenditures in response to the major fires the summer of 2015. General government increased by \$650,842, or 5.5%; public assistance \$1,144,010, or 2.7%; education \$53,558 or 4.4%; cultural and recreation \$475,924 or 26.2%; interest and long-term debt \$129,763 or 23.2%; health and safety \$75,758 or 3%, with decreases in public protection of \$6,778,767 or 13.9%; public works \$652,268 or 4.3%.

Business-type activities. Business-type activities increased the County's net business-type position by \$2,822,545 as a result of operating revenues exceeding operating expenditures by that amount.

Revenues. Total program revenues decreased by \$11,588,736, or 68%, to \$5,333,867 and total general revenues increased by \$117,524, or 170%, to \$186,695. This consists of a decrease in *charges for services* of \$11,612,373, or 69%, as a result of decreased fees received at the County landfill for the debris operations winding down after the fires of 2015 and 2016.; *operating grants and contributions* increased \$23,637, or 45%, miscellaneous revenue increased \$1,931, or 966%; and interest and investment earnings increased \$115,593, or 168% as a result of improving investment behavior.



Expenses. Total expenses decreased by \$7,604,042, or 74%, to \$2,698,017 from the previous fiscal year primarily as a result of the decreased activity at the landfill as the State fire debris private property debris removal project concluded. Salaries and benefits comprise 42% of total expenses. Salaries and benefits decreased by 6%, from the prior year. Service and supplies decreased by 69%, from the prior year. Net change in revenues and expenses was down by \$3,867,170 over the previous year.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As listed in the *Financial Highlights*, at June 30, 2017 the County's governmental funds reported combined ending fund balances of \$87,854,921 a decrease of \$4,109,001 in comparison with the prior year. Approximately 26% of the combined fund balance, \$23,084,408 constitutes assigned and unassigned fund balance, which is available to meet the County's current and future needs. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has been committed to the following:

- Nonspendable, advances receivable and inventory - \$5,412,101
- Restricted, external constraints (grants, laws) - \$59,358,412

The decrease in fund balances for the County's governmental funds can be attributed to the disaster response and recovery during the fiscal year.

The General Fund is the primary operating fund of the County. At June 30, 2017, assigned fund balance of the General Fund was \$10,234,960 while total fund balance was \$26,884,892. The \$10,234,960 assigned fund balance is designated by the governing body for special projects; \$9,295,772 is unassigned for subsequent year needs, while \$5,294,496 in nonspendable fund balance constitutes advances and inventory. The general fund contains a restricted or committed fund balance of \$2,059,664 held for other post employment pension liabilities. The Board remains committed to utilizing one time funding sources for one time projects. As a measure of the general fund's liquidity, it may be useful to compare both assigned fund balance and total fund balance to total fund expenditures. Assigned fund balance represents 21% of total general fund expenditures, while total fund balance represents 55% of that same amount. The general fund balance decreased by \$775,815 during the fiscal year.

Other major funds include the Housing Programs, Social Services, Health Programs and Disaster Response and Recovery. The Housing Programs, Social Services, and Health Programs had total fund balances of \$5,699,068, \$4,821,773, and 380,749 respectively; an increase in fund balance from the prior year of \$31,445, decrease of \$793,754 and \$27,401 respectively. The Disaster Response and Recovery fund ended the fiscal year with a total fund balance of \$1,175,676, and increase of \$360,749 from the prior year

Proprietary funds The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the enterprise fund increased from to \$13,072,569 to \$15,895,114, a 22% increase from the previous fiscal year. The net position of the internal services funds increased from \$3,284,371 to \$4,027,407, a 23% increase from the previous fiscal year.

General Fund Budgetary Highlights

The differences between the original budget and the final amended budget revenues were an increase of \$3,466,582. This represents an 7% overall increase in revenue estimates and was due primarily to the transfer of disaster response and recovery activity from general fund into a special revenue fund set up for that purpose. The differences between the original budget and the final amended budget appropriations were an increase of \$2,038,425. This decrease is 4% when compared to the overall budget.

Appropriation adjustments made during the fiscal year for all functions is summarized below:

- General government – net increase of \$560,542. Increases were necessary to adjust for realized revenue.
- Public Protection – net increase of \$826,199. Increases were made to adjust for realized revenue. This is a negligible increase compared to total category budget.
- Public Assistance – net increase of \$6,600 for senior and veteran services activities.
- Education – no change.
- Recreation and Culture – net increase of \$420,036.
- Total Capital Outlay – net increase of \$225,138. Increases spread throughout several different departments and were most notable in Sheriff-Coroner, Sheriff-Jail Facilities, Emergency Services and Parks and Recreation.

During the year, actual revenues were \$2,570,854 more than revenue estimates. During the year, actual expenditures were less than budgetary estimates by \$8,401,743. The net effect of under-realization of revenues and under-utilization of appropriations resulted in a positive variance of \$11,186,063 prior to consideration of interfund transfers. This variance is due to the management's conservative approach to revenue estimates and fiscally responsible spending practices.

Specific categories and their associated variances for the general fund and all major funds can be found in the Required Supplementary Information section of this report, pages 72 – 79.

Capital assets

The County's investment in capital assets for its governmental and business type activities as of June 20, 2017 was \$172,440,556 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, park facilities and infrastructure (roads, bridges, water and sewer systems). The total increase in the County's investment in capital assets for the current fiscal year of \$5,629,713 and represented an increase in land, construction in progress and infrastructure; with decreases in buildings and improvements, and equipment.

| County of Lake Capital Assets as of June 30 (Net of Depreciation) | | | | | | | | |
|--|----------------------------|----------------|-----------------------------|--------------|----------------|----------------|------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | | Total | |
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | Dollar Change | Percent Change |
| Land | \$ 23,146,767 | \$ 23,532,574 | \$ 742,356 | \$ 742,356 | \$ 23,889,123 | \$ 24,274,930 | \$ 385,807 | 2% |
| Construction in progress | 20,390,188 | 25,913,913 | 21,450 | 77,816 | 20,411,638 | 25,991,729 | 5,580,091 | 27% |
| Buildings and improvements | 45,099,934 | 44,539,696 | 1,005,119 | 974,813 | 46,105,053 | 45,514,509 | (590,544) | -1% |
| Equipment | 8,196,761 | 8,175,938 | 1,134,736 | 1,069,942 | 9,331,497 | 9,245,880 | (85,617) | -1% |
| Infrastructure | 63,924,866 | 64,340,734 | 3,148,666 | 3,072,774 | 67,073,532 | 67,413,508 | 339,976 | 1% |
| Net assets - June 30 | \$ 160,758,516 | \$ 166,502,855 | \$ 6,052,327 | \$ 5,937,701 | \$ 166,810,843 | \$ 172,440,556 | \$ 5,629,713 | 3% |

Detailed information on the County's capital assets can be found in the Notes to the Financial Statements, Note 3 pages 50-51.

Long-Term Liabilities

As of June 30, 2017, the County had total long-term obligations outstanding of \$29,172,548. The largest obligations were Closure/Post Closure for Solid Waste of \$10,288,969 followed by Loans Payable of \$6,183,473 for water and wastewater projects, Southeast Regional Wastewater revenue bonds of \$4,045,000, compensated absences of \$3,500,982, Solid Waste corrective action of \$2,621,021, and Kelseyville/Finley Water Project Certificates of Participation of \$2,402,096. The remaining includes Sanitation District 1-5 special assessment bonds, \$131,000.

During the fiscal year, the County's total long-term liabilities decreased by \$825,211. The majority of this decrease was the result of annual debt payments.

The majority of County long-term liabilities consist of loans payable, certificates of participations and revenue bonds that are paid for by dedicated revenue sources, bonds and special assessments for those within the areas of service.

Detailed information on the County's long-term debt can be found in the Notes to the Financial Statements, Note 4 page 52-54

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information contained within this report or requests for additional information should be addressed to the County of Lake, Auditor-Controller, 255 North Forbes Street, Lakeport, CA 95453. This report, as well as various other financial reports, and the County of Lake Budget, is also available via the internet at: <http://www.lakecountycalifornia.gov/Government/Directory/AuditorController/Financial/CAFR.htm>.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**COUNTY OF LAKE
SUMMARY OF NET POSITION
JUNE 30, 2017**

| | Primary Government | | |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Totals |
| ASSETS | | | |
| Cash and Investments | \$ 94,904,902 | \$ 12,866,433 | \$ 107,771,335 |
| Restricted Cash | 2,893,588 | 10,394,911 | 13,288,499 |
| Imprest Cash | 9,740 | 500 | 10,240 |
| Cash with Fiscal Agent | 321,390 | - | 321,390 |
| Accounts Receivable | 2,917,711 | 639,323 | 3,557,034 |
| Due from Other Governments | 9,083,084 | - | 9,083,084 |
| Taxes Receivable | 326,488 | - | 326,488 |
| Interest Receivable | 95,963 | 38,807 | 134,770 |
| Inventories | 141,616 | - | 141,616 |
| Loans Receivable | 6,260,337 | - | 6,260,337 |
| Capital Assets: | | | |
| Nondepreciable | 49,446,487 | 820,172 | 50,266,659 |
| Depreciable, Net | 117,056,368 | 5,117,529 | 122,173,897 |
| Total Assets | <u>283,457,674</u> | <u>29,877,675</u> | <u>313,335,349</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Pension | 19,358,945 | 274,715 | 19,633,660 |
| LIABILITIES | | | |
| Accounts Payable | 3,101,387 | 21,522 | 3,122,909 |
| Accrued Interest Payable | 124,671 | - | 124,671 |
| Accrued Salaries and Benefits | 6,703,387 | 93,286 | 6,796,673 |
| Settlement Liability | 4,500,000 | - | 4,500,000 |
| Unearned Revenue | 6,415,095 | - | 6,415,095 |
| Deposits and Other Liabilities | 90,900 | - | 90,900 |
| Estimated Claims Liability | 413,491 | - | 413,491 |
| Long-Term Liabilities: | | | |
| Due within One Year | 1,786,072 | 9,883 | 1,795,955 |
| Due in More than One Year | 14,413,147 | 12,963,446 | 27,376,593 |
| Liability for Post-Employment Benefits | 8,245,191 | 145,327 | 8,390,518 |
| Net Pension Liability | 70,746,864 | 1,008,380 | 71,755,244 |
| Total Liabilities | <u>116,540,205</u> | <u>14,241,844</u> | <u>130,782,049</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Pension | <u>2,750,026</u> | <u>15,432</u> | <u>2,765,458</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 154,491,286 | 5,937,701 | 160,428,987 |
| Restricted for: | | | |
| Debt Service | 7,426,690 | - | 7,426,690 |
| Capital Projects | 204,408 | - | 204,408 |
| General Government | 2,198,131 | - | 2,198,131 |
| Public Protection | 13,419,590 | - | 13,419,590 |
| Public Assistance | 13,321,648 | - | 13,321,648 |
| Health and Sanitation | 12,673,480 | - | 12,673,480 |
| Public Ways and Facilities | 13,680,446 | - | 13,680,446 |
| Education | 309,573 | - | 309,573 |
| Recreation | 138,572 | - | 138,572 |
| Unrestricted | (34,337,436) | 9,957,413 | (24,380,023) |
| Total Net Position | <u>\$ 183,526,388</u> | <u>\$ 15,895,114</u> | <u>\$ 199,421,502</u> |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF LAKE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

| Functions/Programs | Expenses | Program Revenues | | |
|-------------------------------|-----------------------|---|---|---|
| | | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 12,508,199 | \$ 6,424,110 | \$ 10,052,726 | \$ - |
| Public Protection | 42,163,755 | 5,217,207 | 13,217,950 | - |
| Public Ways and Facilities | 14,593,617 | 9,216,775 | 4,777,810 | 4,164,473 |
| Health and Sanitation | 26,450,525 | 8,943,310 | 17,115,976 | - |
| Public Assistance | 44,217,861 | 916,219 | 39,360,095 | - |
| Education | 1,273,021 | 65,094 | 81,762 | - |
| Culture and Recreation | 2,294,310 | 36,932 | - | - |
| Interest on Long-Term Debt | 688,474 | - | - | - |
| Total Governmental Activities | 144,189,762 | 30,819,647 | 84,606,319 | 4,164,473 |
| Business-Type Activities: | | | | |
| Solid Waste Management | 2,698,017 | 5,258,022 | 75,845 | - |
| Total Primary Government | <u>\$ 146,887,779</u> | <u>\$ 36,077,669</u> | <u>\$ 84,682,164</u> | <u>\$ 4,164,473</u> |

General Revenues:

Taxes:

Property Taxes
Sales and Use Taxes
Transient Occupancy Taxes
Transfer Taxes
Other Taxes
Unrestricted Interest and Investment Earnings
Miscellaneous
Total General Revenues

Special Item

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

| Primary Government | | |
|----------------------------|-----------------------------|-----------------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ 3,968,637 | \$ - | \$ 3,968,637 |
| (23,728,598) | - | (23,728,598) |
| 3,565,441 | - | 3,565,441 |
| (391,239) | - | (391,239) |
| (3,941,547) | - | (3,941,547) |
| (1,126,165) | - | (1,126,165) |
| (2,257,378) | - | (2,257,378) |
| (688,474) | - | (688,474) |
| (24,599,323) | - | (24,599,323) |
| - | 2,635,850 | 2,635,850 |
| (24,599,323) | 2,635,850 | (21,963,473) |
| 27,238,046 | - | 27,238,046 |
| 3,402,000 | - | 3,402,000 |
| 449,485 | - | 449,485 |
| 497,047 | - | 497,047 |
| 48,231 | - | 48,231 |
| 1,454,567 | 184,564 | 1,639,131 |
| 249,652 | 2,131 | 251,783 |
| 33,339,028 | 186,695 | 33,525,723 |
| (4,500,000) | - | (4,500,000) |
| 4,239,705 | 2,822,545 | 7,062,250 |
| 179,286,683 | 13,072,569 | 192,359,252 |
| <u>\$ 183,526,388</u> | <u>\$ 15,895,114</u> | <u>\$ 199,421,502</u> |

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BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

**COUNTY OF LAKE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | General | Housing Programs | Social Services |
|--|----------------------|---------------------|---------------------|
| ASSETS | | | |
| Cash and Investments | \$ 29,055,425 | \$ 726,181 | \$ 5,465,156 |
| Restricted Cash | 2,893,588 | - | - |
| Imprest Cash | 7,205 | - | 800 |
| Cash with Fiscal Agent | - | - | - |
| Accounts Receivable | 643,917 | - | 870,084 |
| Due from Other Governments | 138,467 | - | 1,153,233 |
| Taxes and Assessments Receivable | 326,488 | - | - |
| Interest Receivable | 70,847 | - | - |
| Advances to Other Funds | 5,294,496 | - | - |
| Inventories | - | - | - |
| Loans Receivable | 51,042 | 5,007,245 | - |
| Total Assets | <u>\$ 38,481,475</u> | <u>\$ 5,733,426</u> | <u>\$ 7,489,273</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 669,484 | \$ - | \$ 19,597 |
| Accrued Salaries and Benefits Payable | 3,344,002 | 34,358 | 1,494,670 |
| Settlement Liability | 4,500,000 | - | - |
| Deposits Payable | - | - | - |
| Unearned Revenues | 2,944,630 | - | - |
| Advances from Other Funds | - | - | - |
| Total Liabilities | <u>11,458,116</u> | <u>34,358</u> | <u>1,514,267</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue | <u>138,467</u> | <u>-</u> | <u>1,153,233</u> |
| FUND BALANCES | | | |
| Nonspendable | 5,294,496 | - | - |
| Restricted | 2,059,664 | 5,699,068 | 4,821,773 |
| Assigned | 10,234,960 | - | - |
| Unassigned | 9,295,772 | - | - |
| Total Fund Balances | <u>26,884,892</u> | <u>5,699,068</u> | <u>4,821,773</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 38,481,475</u> | <u>\$ 5,733,426</u> | <u>\$ 7,489,273</u> |

See accompanying Notes to Basic Financial Statements.

| Health Programs | Disaster Response and Recovery | Other Governmental Funds | Total |
|---------------------|--------------------------------------|--------------------------------|-----------------------|
| \$ 3,056,645 | \$ 1,291,791 | \$ 51,114,740 | \$ 90,709,938 |
| - | - | - | 2,893,588 |
| 275 | - | 1,460 | 9,740 |
| - | - | 321,390 | 321,390 |
| 31,617 | - | 1,372,093 | 2,917,711 |
| 218,186 | 2,613,892 | 15,019 | 4,138,797 |
| - | - | - | 326,488 |
| - | - | 25,116 | 95,963 |
| - | - | 69,519 | 5,364,015 |
| - | - | 117,605 | 117,605 |
| - | - | 1,202,050 | 6,260,337 |
| <u>\$ 3,306,723</u> | <u>\$ 3,905,683</u> | <u>\$ 54,238,992</u> | <u>\$ 113,155,572</u> |
| | | | |
| \$ 4,177 | \$ 12,391 | \$ 2,363,951 | \$ 3,069,600 |
| 285,332 | - | 1,508,169 | 6,666,531 |
| - | - | - | 4,500,000 |
| - | - | 90,900 | 90,900 |
| 2,418,279 | 103,724 | 948,462 | 6,415,095 |
| - | - | 419,728 | 419,728 |
| <u>2,707,788</u> | <u>116,115</u> | <u>5,331,210</u> | <u>21,161,854</u> |
| | | | |
| <u>218,186</u> | <u>2,613,892</u> | <u>15,019</u> | <u>4,138,797</u> |
| | | | |
| - | - | 117,605 | 5,412,101 |
| 380,749 | 1,175,676 | 45,221,482 | 59,358,412 |
| - | - | 3,554,381 | 13,789,341 |
| - | - | (705) | 9,295,067 |
| <u>380,749</u> | <u>1,175,676</u> | <u>48,892,763</u> | <u>87,854,921</u> |
| | | | |
| <u>\$ 3,306,723</u> | <u>\$ 3,905,683</u> | <u>\$ 54,238,992</u> | <u>\$ 113,155,572</u> |

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**COUNTY OF LAKE
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION –
GOVERNMENTAL ACTIVITIES
JUNE 30, 2017**

| | |
|--|------------------------------|
| Fund Balance - Total Governmental Funds | \$ 87,854,921 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 165,402,030 |
| Deferred outflows of resources reported in the statement of net position | 19,358,945 |
| Some of the County's intergovernmental revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as unavailable revenue in the governmental funds. | |
| Due from other governments | 4,138,797 |
| Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds | (124,671) |
| Deferred inflows of resources reported in the statement of net position | (2,750,026) |
| Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds. | |
| Special Assessment Bonds with County Commitment | (131,000) |
| Loans Payable | (5,433,473) |
| Revenue Bonds | (4,045,000) |
| Certificates of Participation | (2,402,096) |
| Compensated Absences | (3,413,197) |
| Net Pension Liability | (70,746,864) |
| Liability for Post-Employment Benefits | (8,209,385) |
| Internal service funds are used by management to charge the cost of self-insurance risk management and management of fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | |
| Internal service fund net position is: | <u>4,027,407</u> |
| Net Position of Governmental Activities | <u><u>\$ 183,526,388</u></u> |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF LAKE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | General | Housing Programs | Social Services |
|--|-----------------------------|----------------------------|----------------------------|
| REVENUES | | | |
| Taxes | \$ 28,979,025 | \$ - | \$ - |
| Licenses, Permits and Franchise Fees | 970,988 | - | - |
| Fines, Forfeitures, and Penalties | 1,104,968 | - | - |
| Use of Money and Property | 748,078 | 5,091 | - |
| Intergovernmental | 13,801,290 | 114,339 | 39,348,644 |
| Charges for Services | 4,481,098 | 19 | 669,815 |
| Other Revenues | 1,663,130 | 174,163 | 35,843 |
| Total Revenues | <u>51,748,577</u> | <u>293,612</u> | <u>40,054,302</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 11,678,486 | - | - |
| Public Protection | 33,809,140 | - | - |
| Public Ways and Facilities | - | - | - |
| Health and Sanitation | - | - | - |
| Public Assistance | 362,981 | 327,167 | 40,577,806 |
| Education | 196,135 | - | - |
| Recreation and Culture | 2,087,619 | - | - |
| Debt Service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Capital Outlay | 873,960 | - | 246,441 |
| Total Expenditures | <u>49,008,321</u> | <u>327,167</u> | <u>40,824,247</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,740,256 | (33,555) | (769,945) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,555,548 | 65,000 | 24,123 |
| Transfers out | (574,847) | - | (65,000) |
| Debt Issued | - | - | - |
| Sale of Capital Assets | 3,228 | - | 17,068 |
| Total Other Financing Sources (Uses) | <u>983,929</u> | <u>65,000</u> | <u>(23,809)</u> |
| Special Item | <u>(4,500,000)</u> | <u>-</u> | <u>-</u> |
| NET CHANGES IN FUND BALANCES | (775,815) | 31,445 | (793,754) |
| Fund Balances - Beginning of Year | <u>27,660,707</u> | <u>5,667,623</u> | <u>5,615,527</u> |
| FUND BALANCES - END OF YEAR | <u><u>\$ 26,884,892</u></u> | <u><u>\$ 5,699,068</u></u> | <u><u>\$ 4,821,773</u></u> |

See accompanying Notes to Basic Financial Statements.

| Health Programs | Disaster Response and Recovery | Other Governmental Funds | Total |
|--------------------|--------------------------------------|--------------------------------|----------------------|
| \$ - | \$ - | \$ 2,655,784 | \$ 31,634,809 |
| 598,728 | - | 1,554,678 | 3,124,394 |
| 3,053 | - | 605,809 | 1,713,830 |
| 4,743 | 7,627 | 422,943 | 1,188,482 |
| 3,343,240 | 1,468,762 | 29,920,932 | 87,997,207 |
| 636,988 | - | 17,445,096 | 23,233,016 |
| 17,472 | 18,330 | 1,049,447 | 2,958,385 |
| <u>4,604,224</u> | <u>1,494,719</u> | <u>53,654,689</u> | <u>151,850,123</u> |
| - | - | 2,233,079 | 13,911,565 |
| - | 1,133,970 | 6,587,401 | 41,530,511 |
| - | - | 12,269,374 | 12,269,374 |
| 4,749,847 | - | 19,089,002 | 23,838,849 |
| - | - | 2,591,435 | 43,859,389 |
| - | - | 1,047,298 | 1,243,433 |
| - | - | 6,015 | 2,093,634 |
| - | - | 1,473,823 | 1,473,823 |
| - | - | 700,613 | 700,613 |
| - | - | 9,542,830 | 10,663,231 |
| <u>4,749,847</u> | <u>1,133,970</u> | <u>55,540,870</u> | <u>151,584,422</u> |
| (145,623) | 360,749 | (1,886,181) | 265,701 |
| 118,222 | - | 738,871 | 2,501,764 |
| - | - | (1,861,917) | (2,501,764) |
| - | - | 90,726 | 90,726 |
| - | - | 14,276 | 34,572 |
| <u>118,222</u> | <u>-</u> | <u>(1,018,044)</u> | <u>125,298</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,500,000)</u> |
| (27,401) | 360,749 | (2,904,225) | (4,109,001) |
| <u>408,150</u> | <u>814,927</u> | <u>51,796,988</u> | <u>91,963,922</u> |
| <u>\$ 380,749</u> | <u>\$ 1,175,676</u> | <u>\$ 48,892,763</u> | <u>\$ 87,854,921</u> |

**COUNTY OF LAKE
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2017**

| | |
|---|----------------|
| Net Change to Fund Balance - Total Governmental Funds | \$ (4,109,001) |
|---|----------------|

Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.

| | |
|---|---------|
| This is the change in unavailable revenues. | 775,601 |
|---|---------|

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|--|--------------------|-----------|
| Expenditures for General Capital Assets and Infrastructure | \$ 12,614,185 | |
| Less: Current Year Depreciation | <u>(6,977,712)</u> | 5,636,473 |

Long-term debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

| | | |
|-----------------------|---------------|-----------|
| Principal Retirements | 1,473,823 | |
| Debt Issued | (90,726) | |
| Interest | <u>12,139</u> | 1,395,236 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|--|------------------|-----------|
| Change in Compensated Absences | 54,805 | |
| Changes in Net Pension Liability and Deferred Inflows/Outflows | 463,027 | |
| Change in OPEB Liability | <u>(719,472)</u> | (201,640) |

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenues (expense) of the internal service funds is reported with governmental activities.

| | |
|---|----------------------------|
| | <u>743,036</u> |
| Change in Net Position of Governmental Activities | <u><u>\$ 4,239,705</u></u> |

**COUNTY OF LAKE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017**

| | Business-Type Activities <u>Enterprise Funds</u> Solid Waste Management | Governmental Activities <u>Internal Service Funds</u> |
|---------------------------------------|---|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments | \$ 12,866,433 | \$ 4,194,964 |
| Imprest Cash | 500 | - |
| Restricted Cash | 10,394,911 | - |
| Accounts Receivable | 639,323 | - |
| Interest Receivable | 38,807 | - |
| Inventory | - | 24,011 |
| Total Current Assets | <u>23,939,974</u> | <u>4,218,975</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Nondepreciable | 820,172 | 48,233 |
| Depreciable, Net | <u>5,117,529</u> | <u>1,052,592</u> |
| Total Noncurrent Assets | <u>5,937,701</u> | <u>1,100,825</u> |
| Total Assets | 29,877,675 | 5,319,800 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Pension | 274,715 | - |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 21,522 | 31,787 |
| Salaries and Benefits Payable | 93,286 | 36,856 |
| Compensated Absences Payable | <u>9,883</u> | <u>2,097</u> |
| Total Current Liabilities | <u>124,691</u> | <u>70,740</u> |
| Noncurrent Liabilities: | | |
| Loans Payable | - | 750,000 |
| Compensated Absences Payable | 53,449 | 22,356 |
| Closure/Post Closure Liability | 12,909,997 | - |
| Net OPEB Obligation | 145,327 | 35,806 |
| Pension Liability | 1,008,380 | - |
| Estimated Claims Liability | - | 413,491 |
| Total Noncurrent Liabilities | <u>14,117,153</u> | <u>1,221,653</u> |
| Total Liabilities | 14,241,844 | 1,292,393 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Pension | <u>15,432</u> | <u>-</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 5,937,701 | 1,100,825 |
| Unrestricted | <u>9,957,413</u> | <u>2,926,582</u> |
| Total Net Position | <u>\$ 15,895,114</u> | <u>\$ 4,027,407</u> |

See accompanying Notes to Basic Financial Statements.

COUNTY OF LAKE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

| | Business-Type Activities <u>Enterprise Funds</u> Solid Waste Management | Governmental Activities <u>Internal Service Funds</u> |
|---|---|---|
| OPERATING REVENUES | | |
| Charges for Services | \$ 4,898,735 | \$ 6,368,478 |
| Rents and Concessions | - | 681,039 |
| Franchise Fees | 358,824 | - |
| Other Revenues | 463 | 17,692 |
| Total Operating Revenues | <u>5,258,022</u> | <u>7,067,209</u> |
| OPERATING EXPENSES | | |
| Salaries and Benefits | 1,067,030 | 399,413 |
| Services and Supplies | 1,518,113 | 1,082,155 |
| Maintenance | - | 187,982 |
| Closure/Post Closure | (132,930) | - |
| Claims/Liability Adjustments | - | 4,510,982 |
| Depreciation | 245,804 | 417,789 |
| Total Operating Expenses | <u>2,698,017</u> | <u>6,598,321</u> |
| OPERATING INCOME (LOSS) | 2,560,005 | 468,888 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Intergovernmental Revenues | 75,845 | - |
| Investment Income (Expense) | 184,564 | 266,085 |
| Gain (Loss) on Sale of Assets | 2,131 | 8,063 |
| Total Nonoperating Revenues (Expenses) | <u>262,540</u> | <u>274,148</u> |
| CHANGE IN NET POSITION | 2,822,545 | 743,036 |
| Net Position - Beginning of Year | <u>13,072,569</u> | <u>3,284,371</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 15,895,114</u></u> | <u><u>\$ 4,027,407</u></u> |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF LAKE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

| | Business-Type Activities Enterprise Funds Solid Waste Management | Governmental Activities Internal Service Funds |
|--|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Customers | \$ 5,703,193 | \$ - |
| Receipts from Interfund Charges for Service | - | 7,067,209 |
| Payments to Suppliers | (1,588,999) | (6,076,578) |
| Payments to Employees | (1,074,249) | (403,186) |
| Net Cash Provided (Used) by Operating Activities | <u>3,039,945</u> | <u>587,445</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating Grants | 75,845 | - |
| Debt Issued | - | 750,000 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>75,845</u> | <u>750,000</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchases of Capital Assets | (156,123) | (546,879) |
| Proceeds from Sale of Capital Assets | 27,076 | 29,287 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(129,047)</u> | <u>(517,592)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on Investments | <u>179,837</u> | <u>266,085</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,166,580 | 1,085,938 |
| Cash and Cash Equivalents - Beginning of Year | <u>20,095,264</u> | <u>3,109,026</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 23,261,844</u></u> | <u><u>\$ 4,194,964</u></u> |
| CASH AND CASH EQUIVALENTS | | |
| Cash and Investments | \$ 12,866,433 | \$ 4,194,964 |
| Imprest Cash | 500 | - |
| Restricted Cash | <u>10,394,911</u> | <u>-</u> |
| TOTAL CASH AND CASH EQUIVALENTS | <u><u>\$ 23,261,844</u></u> | <u><u>\$ 4,194,964</u></u> |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF LAKE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

| | Business-Type Activities <u>Enterprise Funds</u> Solid Waste Management | Governmental Activities <u>Internal Service Funds</u> |
|--|---|---|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Operating Income (Loss) | \$ 2,560,005 | \$ 468,888 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities: | | |
| Depreciation | 245,804 | 417,789 |
| (Increase) Decrease in: | | |
| Accounts Receivable | 445,171 | - |
| Inventory | - | (9,529) |
| Increase (Decrease) in: | | |
| Accounts Payable | (70,886) | 10,422 |
| Salaries and Benefits Payable | (8,267) | (7,651) |
| Compensated Absences Payable | (5,119) | 740 |
| OPEB Liability | 12,737 | 3,138 |
| Net Pension Liability | (6,570) | - |
| Closure/Post Closure Liability | (132,930) | - |
| Claims Payable | - | (296,352) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 3,039,945</u> | <u>\$ 587,445</u> |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF LAKE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

| | Investment Trust Fund | Successor Agency Private Purpose Trust Fund | Agency Funds |
|----------------------------------|--------------------------|---|----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 76,846,232 | \$ 178,266 | \$ 14,484,151 |
| Taxes and Assessments Receivable | - | - | 8,677,932 |
| Total Assets | <u>76,846,232</u> | <u>178,266</u> | <u>\$ 23,162,083</u> |
| LIABILITIES | | | |
| Advances from Other Funds | - | 4,944,287 | \$ - |
| Fiduciary Liabilities | - | - | 23,162,083 |
| Total Liabilities | <u>-</u> | <u>4,944,287</u> | <u>\$ 23,162,083</u> |
| NET POSITION | | | |
| Held in Trust | <u>\$ 76,846,232</u> | <u>\$ (4,766,021)</u> | |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF LAKE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017**

| | Investment Trust Fund | Successor Agency Private Purpose Trust Fund |
|--|-----------------------------|---|
| ADDITIONS | | |
| Contributions from Participants | \$ 180,423,232 | \$ - |
| Redevelopment Agency Property Tax Trust Fund | - | 368,115 |
| Interest and Investment Income | 476,569 | 231 |
| Total Additions | <u>180,899,801</u> | <u>368,346</u> |
| DEDUCTIONS | | |
| Distributions to Participants | 162,314,039 | - |
| Project Administration | - | 13,765 |
| Total Deductions | <u>162,314,039</u> | <u>13,765</u> |
| CHANGE IN NET POSITION | 18,585,762 | 354,581 |
| Net Position - Beginning of Year | <u>58,260,470</u> | <u>(5,120,602)</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 76,846,232</u></u> | <u><u>\$ (4,766,021)</u></u> |

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS
NOTES TO BASIC FINANCIAL STATEMENTS

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**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a county-wide basis including: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting methods and procedures adopted by the County conform to accounting principles generally accepted in the United States of America as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

The governmental reporting entity consists of the County and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations whose component units nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Lake, Auditor-Controller's Office, 255 North Forbes Street, Lakeport, California, 95453.

The following blended component units, although legally separate entities, are considered to be part of the primary government for financial reporting purposes because their boards are comprised of County Board members, and/or they provide service exclusively to the County, and/or there exists a financial benefit or burden relationship:

Air Quality District

The Air Quality District is a separate legal entity formed to provide air quality services. The Air Quality District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, this entity has been blended with the primary government.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Lake County Housing Commission

The Lake County Housing Commission is a separate legal entity formed to administer the Section 8 program. The Housing Commission's purpose is to administer the housing program of the County of Lake. The Housing Commission's Board of Commissioners is composed of the same members as the County's Board of Supervisors. Therefore, this entity has been blended with the primary government.

Watershed Protection Districts

The Watershed Protection Districts are separate legal entities formed to provide flood control in these districts within the County. The Watershed Protection District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

County Service Areas

The County Service Areas are separate legal entities created to provide services such as water and road maintenance throughout the County. The County Service Areas' Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

Lighting Districts

The Lighting Districts are separate legal entities formed to provide lighting services within these districts. The Lighting District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

Sanitation Districts

The Sanitation Districts are separate legal entities formed to provide sanitation maintenance services within the County. The Sanitation District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, these entities have been blended with the primary government.

IHSS

The *In-Home Supportive Services Public Authority* (IHSS) was established by the Board to act as the employer of record for IHSS individual providers. As an administrative unit, it carries out functions prescribed in Welfare & Institutions Code Section 12301.6. Those functions include a provider screening process, a registry that will match eligible providers and consumers, and collective bargaining with providers and their representatives. IHSS also offers access to training for providers and consumers while continuing to allow for consumer choice in the selection of providers. Though a legally separate entity, the IHSS Public Authority is programmatically integrated into the County service systems for aged, blind, and disabled individuals (including children).

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Lake County Redevelopment Successor Agency

The *Lake County Redevelopment Successor Agency* (Successor Agency) operates under the auspices of a legislatively formed Oversight Board comprised of representatives of the local agencies that serve the redevelopment project area. The Oversight Board, in its fiduciary capacity, has authority over the operations and the timely dissolution of the former RDA. It is tasked with fulfilling the obligations of the former RDA, and is also responsible for revenue collection, and disposing of excess property.

Lake County Public Financing Authority

The *Lake County Public Financing Authority* was established in June 2011 by Board of Supervisors to provide financial assistance to the *Lake County Sanitation District* and the County in connection with the construction of public capital improvements. This component unit is reported within the LACOSAN Assessment Districts Debt Service Fund.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the County, and its blended component units. These statements include the financial activities of the overall governments, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenue are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The County reports the following major governmental funds:

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund indicates such activities as general government, public protection, public assistance, education, and recreation services.

The Housing Programs Fund is a special revenue fund used to account for the County certificate housing program. Funding comes primarily from state and federal revenues.

The Social Services Fund is a special revenue fund used to account for welfare assistance activity. Funding comes primarily from state and federal revenues.

The Health Programs fund is a special revenue fund used to account for the operations of the health programs. Funding comes primarily from state and federal revenues.

The Disaster Response & Recovery fund is a special revenue fund used to account for County disaster response and recovery activities. Funding comes primarily from state and federal revenues.

The County reports the following major proprietary fund:

The Solid Waste Management Fund is an enterprise fund used to provide for the operation and expansion of the County's landfills.

The County reports the following additional fund types:

Internal Service Funds account for the County's fleet maintenance, central garage, heavy equipment rental, and self-insurance programs which provide services to other departments on a cost reimbursement basis.

The Investment Trust Fund accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The assets are held in trust for other agencies and are part of the County's external pool. The County is obligated to disburse monies on demand.

Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include three separate components:

County Departmental Agency – Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Unapportioned Taxes Agency – Accounts for property tax receipts awaiting apportionment to other local governmental agencies.

Unapportioned Interest Agency – Accounts for investment earnings awaiting apportionment to other local governmental agencies.

Private-Purpose Trust Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Lake County Redevelopment Successor Agency (Successor Agency).

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, including property and sales tax, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues reported in the governmental funds to be available if they are collected within forty-five days after the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Governmental capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Fiduciary funds include trust funds and agency funds. All trust funds are reported using the economic measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General Fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

Investment transactions are recorded on the trade date. Investments are reported at fair value which is determined using selected basis annually. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants each quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2016, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

For purpose of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

E. Receivables

Receivables consist of amounts due from others outside of the County. The County considers all of its receivables as collectible and therefore, no allowance is recorded.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

F. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the long-term portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in the General Fund and restricted fund balance in other governmental funds.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and, therefore, are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide presentation.

G. Loans Receivables

The County provides loans receivable arising under mortgage subsidy and affordable housing programs. These receivables include loans that may be forgiven if certain terms and conditions of the loans are met. The County considers all of its loans receivables as collectible and therefore, no allowance is recorded.

H. Inventories

Inventories are stated at cost (first in – first out basis) for governmental and proprietary funds. Inventory recorded by governmental funds include materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventories recorded by proprietary funds include supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

I. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, property, plant, equipment, and infrastructure are accounted for as capital assets in both the governmental and business-type activities column. Capital assets which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, water, sewer, and similar items) are defined by the County as assets with a cost of more than \$5,000 for equipment and \$25,000 for structures, improvements, and infrastructure and an estimated useful life of at least one year. Such assets are recorded at historical or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| <u>Depreciable Asset</u> | <u>Estimated Lives</u> |
|-----------------------------|------------------------|
| Equipment | 5 – 15 Years |
| Structures and Improvements | 10 – 50 Years |
| Infrastructure | 40 – 100 Years |

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund at the time of acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

J. Unearned Revenue

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item, pension, which qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of item which qualify for reporting in this category: pensions and unavailable revenue. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenue and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consist primarily of general obligation bonds, special assessment bonds with County commitment, loans payable, certificates of participation, capital leases, closure/post closure liability, and accrued compensated absences.

Long-term debt for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. Long-term debt associated with proprietary fund operations is accounted for the same as in the government-wide statements.

M. Compensated Absences

The County's policy regarding vacation and other leave obligations is to permit employees to accumulate earned but unused vacation and other leave obligations. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the governmental funds financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature, while the proprietary funds report the liability as it is incurred. The County includes its share of social security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Post-Employment Benefits (OPEB)

The County of Lake sponsors, under a defined benefit plan, a retiree healthcare plan to qualifying employees retiring directly from the County. The benefit level is determined by date of hire, length of service and bargaining agreements. The County has contracted for medical coverage to be provided through an agent multiple-employer Healthcare plan from either of two carriers that include the California State Association of Counties (CSAC) EIA Health Program or the California Public Employees Medical and Hospital Care Act (PEMHCA).

P. Fund Balances/Net Position

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements, and other special revenue fund purposes.
- Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Fund Financial Statements

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2017, fund balances for governmental funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, including: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purpose determined by approval of a board resolution by 3/5th vote of the County’s Board of Supervisors. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The County Administrator and Director of Finance can assign fund balance to be used for specific purposes during budget preparation.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditures is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

In Proprietary fund financial statements net position are accounted for the same as in the government-wide statements.

Q. Property Tax

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

The County of Lake assesses properties and bills for and collects property taxes as follows:

| | <u>Secured</u> | <u>Unsecured</u> |
|----------------------|--|------------------|
| Valuation/lien dates | January 1 | January 1 |
| Levy dates | January 1 | January 1 |
| Due dates | November 1 (1 st installment) February 1 (2 nd installment) | July 1 |
| Delinquent dates | December 10 (1 st installment) April 10 (2 nd installment) | August 31 |

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within forty-five days after fiscal year-end.

The County of Lake apportions secured property tax revenue in accordance with the alternate method of distribution, the “Teeter Plan”, as described in Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Recovery Fund (TLRF). The primary purpose of the TLRF is to cover losses that may occur as a result of special sales tax-defaulted property.

The County is legally required to maintain a minimum balance of 1% of the annual taxes levied on properties participating in the Teeter Plan. The County has set aside \$8,744,599 as resources for delinquent sale shortfalls. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County's Teeter Plan and accounted for in an agency fund.

R. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met.

S. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character
 Current (further classified by function)
 Debt Service
 Capital Outlay

Proprietary Fund – By Operating and Nonoperating

T. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the Board of Supervisors each quarter. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the reporting entity as an Investment Trust Fund which does not have separate financial reports. The state of California Statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The net position value of involuntary participation in the investment pool totaled \$76,846,232 at June 30, 2017.

As of June 30, 2017, the County's cash and investments are reported in the financial statements as follows:

| | |
|----------------------------|------------------------------|
| Primary Government | \$ 121,391,464 |
| Investment Trust Fund | 76,846,232 |
| Agency Funds | 14,484,151 |
| Private Purpose | 178,266 |
| Total Cash and Investments | <u><u>\$ 212,900,113</u></u> |

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

As of June 30, 2017, the County's cash and investments consisted of the following:

| | |
|--------------------------------------|------------------------------|
| Cash: | |
| Cash on Hand | \$ 305,658 |
| Imprest Cash | 65,352 |
| Deposits (Less Outstanding Warrants) | 15,710,287 |
| Total Cash | <u>16,081,297</u> |
| Investments: | |
| In Treasurer's Pool | 196,818,816 |
| Total Investments | <u>196,818,816</u> |
| Total Cash and Investments | <u><u>\$ 212,900,113</u></u> |

Cash

Custodial Credit Risk for Deposits – Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amounts are collateralized. The County's investment policy does not further limit its deposits.

Investments

As of June 30, 2017, the County had the following investments:

| | Interest Rates | Maturities | Par | Fair Value | WAM (Years) |
|---------------------------------------|----------------|--------------------|-----------------------|-----------------------|-------------|
| Investments in Investment Pool | | | | | |
| Negotiable CDs | variable | 8/31/2017-5/2/2018 | \$ 65,050,000 | \$ 65,083,785 | 0.22 |
| Commercial Paper | variable | 7/7/17-9/22/17 | 30,000,000 | 29,905,870 | 0.16 |
| Medium Term Corporate Notes | variable | 8/14/17-7/23/18 | 60,480,750 | 60,796,867 | 0.47 |
| Local Agency Investment Fund (LAIF) | variable | on demand | 36,949,923 | 36,949,923 | - |
| Money Market | variable | on demand | 4,082,371 | 4,082,371 | - |
| Total Treasurer's Pooled Investments | | | <u>\$ 196,563,044</u> | <u>\$ 196,818,816</u> | |

Interest Rate Risk – Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the maturity of its investments to 5 years or less. Of the investments in the County's investment pool, over 38% of the investments have a maturity of one year or less. Of the remainder, none have a maturity of more than 5 years.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and County investment policy limit investments in commercial paper to the rating of A1 or better by Standards & Poor's or P-1 or better by Moody's Investors Service; corporate bonds to the rating of A or better by both Standard & Poor's and Moody's Investors Service. No limits are placed on U.S. government securities. The County's investment policy does not further limit its investment choices.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

| Investment Type | Credit Rating | Fair Value | Percent of Pool |
|------------------------------------|---------------|-----------------------|-----------------|
| Commercial Paper | A1 | \$29,905,870 | 15.19 % |
| Negotiable Certificates of Deposit | A1 | 28,061,469 | 14.26 |
| | AA | 3,002,460 | 1.53 |
| | AA- | 26,509,742 | 13.47 |
| | A | 7,510,114 | 3.82 |
| Medium Term Notes | AA | 20,417,822 | 10.37 |
| | A3 | 9,009,270 | 4.58 |
| | AA3 | 4,000,320 | 2.03 |
| | A+ | 15,967,864 | 8.11 |
| | A2 | 6,391,591 | 3.25 |
| | AAA | 5,010,000 | 2.55 |
| Local Agency Investment Fund | Unrated | 36,949,923 | 18.77 |
| Money Market | Unrated | 4,082,371 | 2.07 |
| | | <u>\$ 196,818,816</u> | <u>100.00 %</u> |

Custodial Credit Risk – Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County requires that all of its managed investments be held in the name of the County. The County's investment policy does not further limit the exposure to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the County's investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate bonds and medium term notes to 30% of its investment pool and to 10% per issuer and, banker's acceptances to 15% of its investment pool and to 10% per issuer. Approximately 18.77% of the County's investments at year-end are in the State of California Local Agency Investment Fund (LAIF). There is no limitation on amounts invested in these types of issues. At June 30, 2017 the County held the following concentration percentages and amounts by issuer: 5.07% (\$9,970,678), Anglesea Funding; 5.06% (\$9,968,403), Chesham Fin; 5.06% (\$9,966,789), Manhattan Asset FDH; 5.08% (\$10,004,470), Standard Charter NY FR, 7.62% (\$15,001,510), Bank of Montreal Chicago FR, 5.16% (\$10,164,500), Bear Stearns.

Investment in Local Agency Investment Fund – The County of Lake is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2017, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$36,949,923, which approximates fair value and is the same as the value of the pool shares. The total amount, invested by all public agencies in LAIF on that day was \$77.56 billion. Of that amount 97.11% is invested in non-derivative financial products and 2.89% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Investment Advisory Board, which consists of five members, designated by the State statutes, has oversight responsibility for LAIF.

County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's pool at June 30, 2017:

| | <u>Internal Participants</u> | <u>External Participants</u> | <u>Total Pool</u> |
|---|----------------------------------|----------------------------------|-----------------------|
| Statement of Net Position | | | |
| Cash on Hand | \$ 371,010 | \$ - | \$ 371,010 |
| Deposits (Less Outstanding Warrants) | 15,336,233 | - | 15,336,233 |
| Investments | 119,972,584 | 76,846,232 | 196,818,816 |
| Total | <u>\$ 135,679,827</u> | <u>\$ 76,846,232</u> | <u>\$ 212,526,059</u> |
| Statement of Changes in Net Position | | | |
| Net Position Held for Pool | | | |
| Participants at July 1, 2016 | \$ 123,223,763 | \$ 58,260,470 | \$ 181,484,233 |
| Net Changes in Investments by Pool Participants | <u>12,456,064</u> | <u>18,585,762</u> | <u>31,041,826</u> |
| Net Position Held for Pool Participants at June 30, 2017 | <u>\$ 135,679,827</u> | <u>\$ 76,846,232</u> | <u>\$ 212,526,059</u> |

Restricted Cash and Investments

Restricted cash and investments of \$2,893,588 is held for realignment funding in the General Fund, and \$10,394,911 held to fund future closure costs on the County's landfill. See Note 7 for additional information.

Fair Value Measurement

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Investments reflect prices quoted in active markets;

Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and,

Level 3 – Investments reflect prices based upon unobservable sources.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

The pool has the following recurring fair value measurements as of June 30, 2017:

| | Total | Fair Value Hierarchy | | |
|---|----------------|----------------------|----------------|---------|
| | | Level 1 | Level 2 | Level 3 |
| Commercial Paper | \$ 29,905,870 | \$ - | \$ 29,905,870 | \$ - |
| Medium Term Corporate Notes | 60,796,867 | - | 60,796,867 | - |
| Negotiable CD | 65,083,785 | - | 65,083,785 | - |
| Money Market | 4,082,371 | 4,082,371 | - | - |
| Total Investments Measured at Fair Value | 159,868,893 | \$ 4,082,371 | \$ 155,786,522 | \$ - |
| Investments Measured at Amortized Cost: | | | | |
| California Local Agency Investment Fund (LAIF) | 36,949,923 | | | |
| Total Pooled and Directed Investments | \$ 196,818,816 | | | |

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017 was as follows:

| | Balance July 1, 2016 | Additions | Retirements | Adjustments/ Transfers | Balance June 30, 2017 |
|--|-------------------------|---------------------|---------------------|---------------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 23,146,767 | \$ 385,807 | \$ - | \$ - | \$ 23,532,574 |
| Construction in progress | 20,390,188 | 9,827,423 | - | (4,303,698) | 25,913,913 |
| Total Capital Assets, Not Being Depreciated | 43,536,955 | 10,213,230 | - | (4,303,698) | 49,446,487 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings and improvements | 73,478,546 | 106,188 | (92,930) | 897,483 | 74,389,287 |
| Equipment | 28,129,444 | 1,820,500 | (999,906) | 12,741 | 28,962,779 |
| Infrastructure | 194,512,614 | 1,066,485 | - | 3,406,215 | 198,985,314 |
| Total Capital Assets, Being Depreciated | 296,120,604 | 2,993,173 | (1,092,836) | 4,316,439 | 302,337,380 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and improvements | (28,378,612) | (1,482,130) | 11,151 | - | (29,849,591) |
| Equipment | (19,932,683) | (1,856,539) | 978,682 | 23,699 | (20,786,841) |
| Infrastructure | (130,587,748) | (4,056,832) | - | - | (134,644,580) |
| Total Accumulated Depreciation | (178,899,043) | (7,395,501) | 989,833 | 23,699 | (185,281,012) |
| Total Capital Assets, Being Depreciated, Net | 117,221,561 | (4,402,328) | (103,003) | 4,340,138 | 117,056,368 |
| Governmental Activities Capital Assets, Net | <u>\$ 160,758,516</u> | <u>\$ 5,810,902</u> | <u>\$ (103,003)</u> | <u>\$ 36,440</u> | <u>\$ 166,502,855</u> |
| Business-Type Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 742,356 | \$ - | \$ - | \$ - | \$ 742,356 |
| Construction in progress | 21,450 | 56,366 | - | - | 77,816 |
| Total Capital Assets, Not Being Depreciated | 763,806 | 56,366 | - | - | 820,172 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings and improvements | 1,544,208 | - | - | - | 1,544,208 |
| Equipment | 4,158,141 | 99,757 | (29,496) | (12,741) | 4,215,661 |
| Infrastructure | 3,794,600 | - | - | - | 3,794,600 |
| Total Capital Assets, Being Depreciated | 9,496,949 | 99,757 | (29,496) | (12,741) | 9,554,469 |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and improvements | (539,089) | (30,306) | - | - | (569,395) |
| Equipment | (3,023,405) | (139,606) | 17,292 | - | (3,145,719) |
| Infrastructure | (645,934) | (75,892) | - | - | (721,826) |
| Total Accumulated Depreciation | (4,208,428) | (245,804) | 17,292 | - | (4,436,940) |
| Total Capital Assets, Being Depreciated, Net | 5,288,521 | (146,047) | (12,204) | (12,741) | 5,117,529 |
| Business-Type Activities Capital Assets, Net | <u>\$ 6,052,327</u> | <u>\$ (89,681)</u> | <u>\$ (12,204)</u> | <u>\$ (12,741)</u> | <u>\$ 5,937,701</u> |

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Depreciation

Depreciation expense was charged to governmental functions as follows:

| | |
|--|----------------------------|
| General Government | \$ 721,025 |
| Public Protection | 897,133 |
| Public Ways and Facilities | 2,152,513 |
| Health and Sanitation | 2,660,946 |
| Public Assistance | 295,392 |
| Education | 33,154 |
| Recreation and Culture | 217,549 |
| Internal Service Fund Depreciation Expense is | |
| Charged to Specific Functions Based on Asset Usage | <u>417,789</u> |
| Total Depreciation Expense - | |
| Governmental Functions | <u><u>\$ 7,395,501</u></u> |

Depreciation expense was charged to business-type functions as follows:

| | |
|-------------|--------------------------|
| Solid Waste | <u><u>\$ 245,804</u></u> |
|-------------|--------------------------|

Construction in Progress

Construction in progress for governmental activities continued to relate to work performed on the Jail Expansion Project, various park improvements, bridge and road projects, special districts system improvements, as well as Clearlake Oaks sidewalk improvement project.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

| Type of Indebtedness | Balance July 1, 2016 | Additions | Retirements | Balance June 30, 2017 | Amount Due Within One Year |
|---------------------------------|-------------------------|---------------------|---------------------|--------------------------|----------------------------------|
| Governmental Activities | | | | | |
| Special Assessment Bonds | | | | | |
| with County Commitment | \$ 192,000 | \$ - | \$ 61,000 | \$ 131,000 | \$ 64,000 |
| Revenue Bonds | 4,235,000 | - | 190,000 | 4,045,000 | - |
| Loans Payable | 6,517,069 | 840,726 | 1,174,322 | 6,183,473 | 1,201,438 |
| Certificates of Participation | 2,450,596 | - | 48,500 | 2,402,096 | 50,600 |
| Compensated Absences (Note 1M) | 3,491,716 | 4,505,979 | 4,560,045 | 3,437,650 | 470,034 |
| Total Governmental Activities | <u>\$ 16,886,381</u> | <u>\$ 5,346,705</u> | <u>\$ 6,033,867</u> | <u>\$ 16,199,219</u> | <u>\$ 1,786,072</u> |
| Business-Type Activities | | | | | |
| Closure/Post Closure (Note 7) | \$ 10,394,911 | \$ - | \$ 105,942 | \$ 10,288,969 | \$ - |
| Corrective Action | 2,648,016 | - | 26,988 | 2,621,028 | - |
| Total | <u>13,042,927</u> | <u>-</u> | <u>132,930</u> | <u>12,909,997</u> | <u>-</u> |
| Solid Waste Management: | | | | | |
| Compensated Absences | 68,451 | 68,612 | 73,731 | 63,332 | 9,883 |
| Total Business-Type Activities | <u>\$ 13,111,378</u> | <u>\$ 68,612</u> | <u>\$ 206,661</u> | <u>\$ 12,973,329</u> | <u>\$ 9,883</u> |

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

Special assessment bonds with County commitment are not a direct responsibility of the County. Principal and interest payments are funded from the collection of special assessments and are accounted for in the Sanitation District's component unit special revenue fund. The County is obligated for special assessment debt only to the extent of special assessments collected.

At June 30, 2017, special assessment bonds with County Commitment consisted of the following:

| | Date of Issue | Date of Maturity | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at June 30, 2017 |
|-----------------------------------|------------------|---------------------|-------------------|-------------------------------------|-----------------------------|---------------------------------|
| Special Assessment Bonds: | | | | | | |
| Sanitation District #1-5 1915 Act | | 7/2/2019 | 5.00% | \$55,000 - \$67,000 | \$ 1,340,000 | <u>\$ 131,000</u> |

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

At June 30, 2017, revenue bonds consisted of the following:

| | Date of Maturity | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at June 30, 2017 |
|---|---------------------|--------------------|-------------------------------------|-----------------------------|---------------------------------|
| Revenue Bonds | | | | | |
| Southeast Regional Wastewater Revenue Bonds, Series, 2011 | 7/15/2040 | 2.000% - 5.875% | \$95,000 - \$300,000 | \$ 4,500,000 | <u>\$ 4,045,000</u> |
| <i>Used to finance construction and improvements of the Southeast Regional Wastewater System.</i> | | | | | |

At June 30, 2017, loans payable consisted of the following:

| | Date of Maturity | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at June 30, 2017 |
|--|---------------------|-------------------|-------------------------------------|-----------------------------|---------------------------------|
| Loans Payable | | | | | |
| Safe Drinking Water Loan | 9/30/2023 | 3.2205% | \$179,224 - \$224,266 | \$ 4,387,769 | \$ 1,245,229 |
| <i>Used to finance the cost of correcting deficiencies in the domestic water supply for the Lake County Service Area #20 Soda Bay.</i> | | | | | |
| State Water Resources Control Board Loan | 6/30/2018 | 2.80% | \$467,682 - \$507,585 | \$ 7,636,443 | 507,584 |
| <i>Used to finance the upgrade to the Southeast Regional Wastewater Treatment Plant and construction of the Southeast Geyser's Effluent Pipeline.</i> | | | | | |
| State Sewer Revolving Loan | 1/31/2023 | 1.60% | \$397,213 - \$475,354 | \$ 9,263,406 | 2,677,613 |
| <i>Used to finance the upgrade to the Northwest Regional Wastewater Treatment Plant, construction of a force main and aerated lagoons, and installment of a disinfection system on SCADA system.</i> | | | | | |
| State Water Resources Control Board Loan | 12/31/2030 | 1.0% | \$61,486 - \$71,383 | \$ 1,299,753 | 937,529 |
| <i>Used to upgrade the Kelseyville Water Works District Wastewater System.</i> | | | | | |
| Safe Drinking Water Revolving Fund | 5/25/2022 | 0% | \$21,839 | \$ 90,725 | 65,518 |
| <i>Used to finance the cost of studies, planning and other preliminary activities for a project which will enable Supplier to meet safe drinking water standards</i> | | | | | |
| Lakeside Heights HOA Loan | 11/22/2024 | Variable | \$0 | \$ 750,000 | 750,000 |
| <i>Used to finance the costs of defense in the matter of Lakeside HOA, et al. v. County of lake, et al.</i> | | | | | |
| | | | | | <u>\$ 6,183,473</u> |

At June 30, 2017, certificates of participation consisted of the following:

| | Date of Issue | Date of Maturity | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at June 30, 2017 |
|---|------------------|---------------------|-------------------|-------------------------------------|-----------------------------|---------------------------------|
| Certificates of Participation | | | | | | |
| Kelseyville County Waterworks District #3 - Water Project Series 2005 | | 4/1/2045 | 4.25% | \$35,900 - \$110,600 | \$ 2,394,800 | \$ 1,794,896 |
| <i>Used to finance the construction of water system improvements.</i> | | | | | | |
| County Service Area #6, Finley Water - Water Project Series 2005 | | 4/1/2045 | 4.375% | \$10,500 - \$36,400 | 714,000 | 607,200 |
| <i>Used to finance the construction of water system improvements.</i> | | | | | | |
| | | | | | | <u>\$ 2,402,096</u> |

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

At June 30, 2017, the annual debt service requirements were summarized as follows:

Governmental Activities

Special Assessment Bonds

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|-------------------|-----------------|-------------------|
| 2018 | \$ 64,000 | \$ 4,950 | \$ 68,950 |
| 2019 | 67,000 | 1,675 | 68,675 |
| Total | <u>\$ 131,000</u> | <u>\$ 6,625</u> | <u>\$ 137,625</u> |

Loans Payable and Revenue Bonds Payable

| <u>Year Ending June 30,</u> | <u>Loans</u> | | | <u>Revenue Bonds</u> | | |
|---------------------------------|---------------------|-------------------|---------------------|----------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2018 | \$ 1,201,438 | \$ 131,786 | \$ 1,333,224 | \$ - | \$ - | \$ - |
| 2019 | 711,557 | 99,870 | 811,427 | 100,000 | 317,675 | 417,675 |
| 2020 | 729,703 | 81,725 | 811,428 | 105,000 | 318,700 | 423,700 |
| 2021 | 726,653 | 62,936 | 789,589 | 105,000 | 314,500 | 419,500 |
| 2022 | 745,831 | 43,758 | 789,589 | 110,000 | 315,063 | 425,063 |
| 2023-2027 | 1,786,971 | 95,505 | 1,882,476 | 635,000 | 1,576,050 | 2,211,050 |
| 2028-2032 | 281,320 | 7,068 | 288,388 | 810,000 | 1,565,163 | 2,375,163 |
| 2033-2037 | - | - | - | 1,070,000 | 1,560,563 | 2,630,563 |
| 2038-2042 | - | - | - | 1,110,000 | 1,244,831 | 2,354,831 |
| Total | <u>\$ 6,183,473</u> | <u>\$ 522,648</u> | <u>\$ 6,706,121</u> | <u>\$ 4,045,000</u> | <u>\$ 7,212,544</u> | <u>\$ 11,257,544</u> |

Certificate of Participation

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|---------------------|
| 2018 | \$ 50,600 | \$ 112,776 | \$ 163,376 |
| 2019 | 52,700 | 110,611 | 163,311 |
| 2020 | 55,000 | 108,357 | 163,357 |
| 2021 | 57,300 | 106,004 | 163,304 |
| 2022 | 59,700 | 103,552 | 163,252 |
| 2023-2027 | 339,300 | 477,204 | 816,504 |
| 2028-2032 | 418,400 | 398,097 | 816,497 |
| 2033-2037 | 515,800 | 300,601 | 816,401 |
| 2038-2042 | 636,100 | 180,381 | 816,481 |
| 2043-2045 | 217,196 | 39,119 | 256,315 |
| Total | <u>\$ 2,402,096</u> | <u>\$ 1,936,701</u> | <u>\$ 4,338,797</u> |

Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The County does not expect to incur a liability for rebatable arbitrage.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5 NET POSITION/FUND BALANCES

Net Position

Net investment in capital assets was comprised of the following:

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Capital Assets Net of Accumulated Depreciation | \$ 166,502,855 | \$ 5,937,701 |
| Outstanding Principal of Capital-Related Debt | (12,011,569) | - |
| Net Position, Net Investment in Capital Assets | <u>\$ 154,491,286</u> | <u>\$ 5,937,701</u> |

Fund Balances

Details of the fund balance classifications of the governmental funds as of June 30, 2017 are as follows:

| | General Fund | Housing Programs | Social Services | Health Programs | Disaster Response & Recovery | Other Governmental Funds | Total |
|----------------------------|----------------------|---------------------|---------------------|--------------------|------------------------------------|--------------------------------|----------------------|
| Nonspendable: | | | | | | | |
| Advances to Other Funds | \$ 5,294,496 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,294,496 |
| Inventory | - | - | - | - | - | 117,605 | 117,605 |
| Total Nonspendable | <u>5,294,496</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>117,605</u> | <u>5,412,101</u> |
| Restricted for: | | | | | | | |
| General Government | 2,059,664 | - | - | - | - | - | 2,059,664 |
| Public Protection | - | - | - | - | 1,175,676 | 9,630,022 | 10,805,698 |
| Public Assistance | - | 5,699,068 | 4,821,773 | - | - | 1,647,574 | 12,168,415 |
| Health and Sanitation | - | - | - | 380,749 | - | 12,059,526 | 12,440,275 |
| Public Ways and Facilities | - | - | - | - | - | 13,680,446 | 13,680,446 |
| Education | - | - | - | - | - | 309,573 | 309,573 |
| Recreation | - | - | - | - | - | 138,572 | 138,572 |
| Debt Service | - | - | - | - | - | 7,551,361 | 7,551,361 |
| Capital Projects | - | - | - | - | - | 204,408 | 204,408 |
| Total Restricted | <u>2,059,664</u> | <u>5,699,068</u> | <u>4,821,773</u> | <u>380,749</u> | <u>1,175,676</u> | <u>45,221,482</u> | <u>59,358,412</u> |
| Assigned for: | | | | | | | |
| General Reserve | 7,000,000 | - | - | - | - | - | 7,000,000 |
| Infrastructure | 2,107,184 | - | - | - | - | - | 2,107,184 |
| General Government | 1,127,776 | - | - | - | - | - | 1,127,776 |
| Jail Expansion | - | - | - | - | - | 1,272,497 | 1,272,497 |
| Special Capital Projects | - | - | - | - | - | 2,281,884 | 2,281,884 |
| Total Assigned | <u>10,234,960</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,554,381</u> | <u>13,789,341</u> |
| Unassigned | <u>9,295,772</u> | | | | | (705) | <u>9,295,067</u> |
| Total Fund Balances | <u>\$ 26,884,892</u> | <u>\$ 5,699,068</u> | <u>\$ 4,821,773</u> | <u>\$ 380,749</u> | <u>\$ 1,175,676</u> | <u>\$ 48,892,763</u> | <u>\$ 87,854,921</u> |

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 LEASES

Operating Leases

The County leases office buildings and equipment under noncancellable operating leases. Total cost for these leases was \$986,811 for the year ended June 30, 2017. The future minimum lease payments are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> |
|-----------------------------|---------------------|
| 2018 | \$ 834,361 |
| 2019 | 749,422 |
| 2020 | 719,824 |
| 2021 | 541,177 |
| 2022 | 523,177 |
| 2023-2027 | 2,597,887 |
| 2028-2032 | 995,372 |
| Total | <u>\$ 6,961,220</u> |

NOTE 7 CLOSURE/POST-CLOSURE

The County of Lake has one landfill. State and Federal laws and regulations require the County to perform certain closure and post-closure maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an expenditure in each year based on landfill capacity used as of each balance sheet date. The \$12,909,997 reported as closure/post-closure and corrective action costs liability at June 30, 2017, represents the cumulative amount reported to date based on the use of 81.88% of total estimated site capacity. The estimated remaining life of the landfill is 8 years.

The liability decreased by (\$132,930) during the fiscal year ended June 30, 2017. This was mainly due to a change in methodology related to calculating the remaining usable airspace, resulting in an increase to the estimated remaining usable capacity and therefore a reduction in the calculated liability. These liability amounts are based on the proportionate landfill capacity filled and what it would cost to perform all closure, post-closure care and any required corrective actions in 2017. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

The County is required by state and Federal laws and regulations to provide financial assistance that appropriate resources will be available to finance closure and post-closure care costs in the future. At June 30, 2017, cash and investments of \$10,394,911 were held to fund closure costs and are reported as restricted cash on the Solid Waste Management's financial statements.

The County has approved a pledge of revenue to fund the post-closure costs. However, if additional closure, post-closure or reasonably foreseeable corrective action requirements are determined, funding for these liabilities may need to be covered by increased charges to future landfill users.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 INTERFUND TRANSACTIONS

Advances To/From Other Funds

The following are advances to/from other funds as of June 30, 2017:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--------------------------|--------------------------|----------------------------|
| General Fund | RDA Successor Agency | \$ 4,890,901 |
| | Other Governmental Funds | 403,595 |
| | | <u>5,294,496</u> |
| Other Governmental Funds | Other Governmental Funds | 16,133 |
| | RDA Successor Agency | 53,386 |
| | | <u>69,519</u> |
| Total | | <u><u>\$ 5,364,015</u></u> |

General fund advances were made to fund road improvement projects, and for the Hill Road Jail construction project. Other governmental fund advances were made to fund economic development and the supplemental education revenue augmentation obligation.

Transfers

Transfers are indicative of funding for capital projects, lease payments, or debt service. The following are the interfund transfers for the fiscal year ended June 30, 2017:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> |
|--------------------------|--------------------------|----------------------------|
| General Fund | Health Services | \$ 118,222 |
| | Other Governmental Funds | 456,625 |
| | | <u>574,847</u> |
| Social Services | Housing | 65,000 |
| Other Governmental Funds | General Fund | 1,555,548 |
| | Social Services | 24,123 |
| | Other Governmental Funds | 282,246 |
| | | <u>1,861,917</u> |
| Total | | <u><u>\$ 2,501,764</u></u> |

NOTE 9 EMPLOYEES' RETIREMENT PLAN

General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the County's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Plans are established by state statute and County's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017 are summarized as follows:

| | Miscellaneous | |
|---|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire Date | | |
| Benefit Formula | 2% @ 55 | 2% @ 62 |
| Benefit Vesting Schedule | 5 Years Service | 5 Years Service |
| Benefit Payments | Monthly for Life | Monthly for Life |
| Retirement Age | 55 | 62 |
| Monthly Benefits, as a % of Eligible Compensation | 2% | 2% |
| Required Employee Contribution Rates | 7% | 6.25% |
| Required Employer Contribution Rates | 15.288% | 15.288% |

| | Safety | |
|---|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire Date | | |
| Benefit Formula | 2% @ 50 | 2.7% @ 57 |
| Benefit Vesting Schedule | 5 Years Service | 5 Years Service |
| Benefit Payments | Monthly for Life | Monthly for Life |
| Retirement Age | 50 | 57 |
| Monthly Benefits, as a % of Eligible Compensation | 2% | 2.7% |
| Required Employee Contribution Rates | 9.00% | 10.75% |
| Required Employer Contribution Rates | 23.763% | 23.763% |

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10(a)</u> | <u>Real Return Years 11 + (b)</u> |
|---------------------|---------------------------------|------------------------------------|-----------------------------------|
| Global Equity | 50.0 % | 5.25 % | 5.71 % |
| Global Fixed Income | 17.0 | 0.99 % | 2.43 % |
| Inflation Sensitive | 4.0 | 0.45 % | 3.36 % |
| Private Equity | 14.0 | 6.83 % | 6.95 % |
| Real Estate | 11.0 | 4.50 % | 5.13 % |
| Liquidity | 4.0 | (0.55)% | (1.05)% |
| Total | <u>100.0 %</u> | | |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Changes in the Net Pension Liability

The changes in the net pension liability for each Plan follow:

| | <u>Increase (Decrease)</u> | | |
|---|--------------------------------|------------------------------------|--------------------------------------|
| <u>Miscellaneous Plan</u> | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability (Asset)</u> |
| Balance at June 30, 2016 | \$ 201,701,092 | \$ 164,974,493 | \$ (36,726,599) |
| Change in the Year: | | | |
| Service Cost | 4,741,101 | - | (4,741,101) |
| Interest on Total Pension Liability | 14,825,121 | - | (14,825,121) |
| Differences Between Expected and Actual Experience | (382,197) | - | 382,197 |
| Plan to Plan Resource Movement | - | 72,635 | 72,635 |
| Contributions - Employer | - | 4,671,021 | 4,671,021 |
| Contributions - Employee | - | 2,298,421 | 2,298,421 |
| Net Investment Income | - | 841,268 | 841,268 |
| Benefit Payments, Including Refunds of Employee Contributions | (10,188,780) | (10,188,780) | - |
| Administrative Expenses | - | (98,149) | (98,149) |
| Change of Allocation | (4,802,630) | (3,928,147) | 874,483 |
| Net Changes | <u>4,192,615</u> | <u>(6,331,731)</u> | <u>(10,524,346)</u> |
| Balance at June 30, 2017 | <u>\$ 205,893,707</u> | <u>\$ 158,642,762</u> | <u>\$ (47,250,945)</u> |

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| <u>Safety Plan</u> | | | |
| Balance at June 30, 2015 | \$ 82,557,801 | \$ 64,097,918 | \$ (18,459,883) |
| Change in the Year: | | | |
| Service Cost | 2,007,465 | - | (2,007,465) |
| Interest on Total Pension Liability | 6,270,398 | - | (6,270,398) |
| Differences Between Expected and Actual Experience | 560,154 | - | (560,154) |
| Plan to Plan Resource Movement | - | (76,798) | (76,798) |
| Contributions - Employer | - | 1,786,359 | 1,786,359 |
| Contributions - Employee | - | 808,781 | 808,781 |
| Net Investment Income | - | 314,323 | 314,323 |
| Benefit Payments, Including Refunds of Employee Contributions | (4,311,418) | (4,311,418) | - |
| Administrative Expenses | - | (39,064) | (39,064) |
| Net Changes | <u>4,526,599</u> | <u>(1,517,817)</u> | <u>(6,044,416)</u> |
| Balance at June 30, 2016 | <u>\$ 87,084,400</u> | <u>\$ 62,580,101</u> | <u>\$ (24,504,299)</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Miscellaneous | Safety | Total |
|-----------------------|---------------|---------------|----------------|
| 1% Decrease | 6.65% | 6.65% | 6.65% |
| Net Pension Liability | \$ 72,856,807 | \$ 36,947,009 | \$ 109,803,816 |
| Current Discount Rate | 7.65% | 7.65% | 7.65% |
| Net Pension Liability | \$ 47,250,945 | \$ 24,504,299 | \$ 71,755,244 |
| 1% Increase | 8.65% | 8.65% | 8.65% |
| Net Pension Liability | \$ 25,896,017 | \$ 14,388,531 | \$ 40,284,548 |

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the County recognized pension expense of \$6,620,288. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Pension Contributions Subsequent to Measurement Date | \$ 7,089,885 | \$ - |
| Change in Assumptions | - | (1,909,933) |
| Differences Between Expected and Actual Experience | 423,531 | (855,525) |
| Net Difference Between Projected and Actual Earnings on Plan Investments | 12,120,244 | - |
| Total | <u>\$ 19,633,660</u> | <u>\$ (2,765,458)</u> |

The County reported \$7,089,885 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2018 | \$ (313,379) |
| 2019 | 1,297,007 |
| 2020 | 5,612,008 |
| 2021 | 3,182,681 |
| Total | <u>\$ 9,778,317</u> |

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The County sponsors medical coverage to be provided through an agent multiple-employer Healthcare plan. The County arranges health insurance coverage for employees from either of two carriers that include the California State Association of Counties (CSAC) EIA Health Program or the California Public Employees Medical and Hospital Care Act (PEMHCA). Both carriers provide health insurance through a variety of Health Maintenance Organizations (HMO) and Preferred Provider Organization (PPO) options.

Participation in the chosen healthcare plan is through a flexible benefits plan, with contributions made to the plan of up to \$800 per month for active employees. This amount includes the \$125 per month required by PEMHCA. Dental, vision and life insurance are also available and are included in the \$800 per month County contribution maximum. Copies of PERS' annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814. CSAC EIA's annual financial report may be obtained by contacting them at the Office of the Chief Financial Officer, 75 Iron Point Circle, Suite 200, Folsom, California 95630.

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

The County extends health coverage to its retirees. The County makes the required statutory PEMHCA contribution and other monthly insurance stipends as described below for retirees that chose to continue coverage within the County plan offerings.

Retirees who have completed at least 15 continuous years of service with the County at the time of retirement are eligible for County stipend of 50% of the retiree-only medical premium depending on the health insurance option selected by the retiree. Retirees who have completed at least 20 continuous years of service at retirement are eligible for a 75% of the retiree-only medical premium depending on the health insurance option selected by the retiree. County contribution ceases at age 65 or upon death of retiree, if earlier. For those retirees covered by the PEMHCA plans, the statutory amount required continues beyond age 65 as required by law. Retirees may choose spousal and/or dependent child coverage; however, there is no County contribution for this coverage or for dental/vision coverage of either the retiree or dependents.

Funding Policy

As required by GASB 45, an actuary will determine the County's Annual Required Contribution (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

GASB 45 does not required pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time. The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the County's Annual OPEB Cost for the year ended June 30, 2017, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset). The OPEB liability has substantially decreased as a result of the termination of CalPERS health insurance for all but one employee group. This has eliminated the statutory lifetime minimum benefits as required under CalPERS health.

| | |
|---|----------------------------|
| Annual Required Contribution 2016-17 | \$ 1,129,505 |
| Interest on Net OPEB Obligation/(Asset) | 306,207 |
| Adjustment to Annual Required Contributions | <u>(403,539)</u> |
| Annual OPEB Cost (Expense) | 1,032,173 |
| Contributions Made | <u>(296,826)</u> |
| Increase to Net OPEB Obligations/(Assets) | 735,347 |
| Net OPEB Obligation/(Asset) - Beginning of Year | <u>7,655,171</u> |
| Net OPEB Obligation/(Asset) - End of Year | <u><u>\$ 8,390,518</u></u> |

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

The County's Annual OPEB Cost, the percentage Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal year ended June 30, 2017 and the two prior fiscal years are as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Actual Contribution</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation/ (Asset)</u> |
|--------------------------|---------------------------------|--------------------------------|---|---|
| June 30, 2015 | \$ 855,587 | \$ 337,032 | 39.39% | \$ 6,978,014 |
| June 30, 2016 | 1,005,087 | 327,930 | 32.63% | 7,655,171 |
| June 30, 2017 | 1,032,173 | 296,826 | 28.76% | 8,390,518 |

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2015 (the most recent actuarial valuation date), was as follows:

| | |
|---|-----------------------------|
| Actuarial accrued liability (AAL) | \$ 9,716,810 |
| Actuarial value of plan assets | <u>-</u> |
| Unfunded actuarial accrued liability (UAAL) | <u><u>\$ 9,716,810</u></u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0.0% |
| Covered payroll (active plan members) | <u><u>\$ 40,216,178</u></u> |
| UAAL as a percentage of covered payroll | 24.2% |

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2015. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

assumptions included a 4% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 4%. These assumptions reflect an implicit 3.0% general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2017 was 24 years.

NOTE 11 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (Internal Service Funds) to finance its insured and uninsured risks of loss. The County's uninsured risk of loss for public liability claims is \$10,000 per occurrence; the County is fully insured for workers' compensation losses and the County is fully self-insured for all unemployment claims. The County is a member of the County Supervisors Association of California Excess Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for counties. The County pays annual premiums to the Authority for insurance coverage.

Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Actual claims unpaid as of June 30, 2017, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2017 was as follows:

| | |
|------------------|-------------------|
| Unemployment | \$ 103,491 |
| Public Liability | 310,000 |
| Total | <u>\$ 413,491</u> |

All funds of the County participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$413,491 reported in the funds at June 30, 2017, is based on the requirements of Governmental Accounting Standards Board Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Estimates of the liabilities for incurred (both reported and unreported), but unpaid claims are actuarially determined. Liabilities are based on the estimated cost of settling the claims and are included in current liabilities because they are expected to be paid within one year.

Changes in the County's claims liability amount for the fiscal years 2015, 2016, and 2017 were as follows:

| <u>Year Ended</u> | <u>Beginning of Year</u> | <u>Changes in Estimates</u> | <u>Claims Payable</u> | <u>End of Year</u> |
|-------------------|------------------------------|---------------------------------|---------------------------|------------------------|
| 2015 | \$ 706,271 | \$ 4,299,432 | \$ 4,267,175 | \$ 674,014 |
| 2016 | 674,014 | 4,909,879 | 4,945,708 | 709,843 |
| 2017 | 709,843 | 4,807,334 | 4,510,982 | 413,491 |

COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

NOTE 12 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance/Net Position

As of June 30, 2017, the following fund had a deficit fund balance/net position:

| | <u>Deficit</u> |
|---------------------------|----------------|
| Road Improvement Projects | <u>\$ 705</u> |

The Road Improvement Projects fund deficit is due to expenditures in excess of revenues. This deficit will be funded by future revenues.

NOTE 13 OTHER INFORMATION

Construction Commitments

The County has signed agreements to construct various capital improvement projects that were not completed by June 30, 2017. The balance owed on these commitments at June 30, 2017 was approximately \$7,899,540. The cost of these commitments will be financed by monies that have been set aside for those specific capital improvement projects.

Encumbrances

The County did not have any significant encumbrances as of June 30, 2017.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. In the aggregate, these claims seek monetary damages in significant amounts. However, in the opinion of County Counsel, final disposition should not materially adversely affect the financial position of the County, since the legal matters are covered by the County's liability program which, subject to a \$10,000 deductible per occurrence, provides complete coverage for any County liability losses. Therefore, no provision has been made in the financial statements for a loss contingency.

The County has received cease and desist orders on water and wastewater special districts. The action required to correct these situations will require future application of funding and or debt as well as capital outlay expenditures. There is not an estimate at this time of the eventual cost to the County. Therefore, no provision has been made in the financial statements.

**COUNTY OF LAKE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14 SPECIAL ITEM

Subsequent to year end on September 15, 2017 the County paid a legal settlement in the amount of \$4,500,000 for a legal action spanning several fiscal years related to the Lakeside Heights landslide.

NOTE 15 SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2017 through February 20, 2018, the date on which the financial statements were available for issuance. Management has determined that there were no subsequent events, other than the special item in Note 14 and the following that require disclosure in these financial statements.

In October of 2017 the County experienced another significant fire disaster, the Sulphur Fire. The fire destroyed in excess of 160 homes in both the unincorporated area of Lake County as well as the City of Clearlake. The property tax and economic base of Lake County continues to be impacted by the loss of homes as a result of the five wildland fires that have occurred since the summer of 2015. With rebuild rates at 10% since the first significant fire in 2015, we anticipate a prolonged period of economic recovery for Lake County.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF CHANGE IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2017

| Last 10 Fiscal Years* | Miscellaneous Plans | | |
|--|---------------------------|-----------------------|-----------------------|
| | Reporting Year | | |
| | <i>(Measurement Year)</i> | | |
| | 2017 2016 | 2016 2015 | 2015 2014 |
| TOTAL PENSION LIABILITY | | | |
| Service Cost | \$ 4,741,101 | \$ 4,840,649 | \$ 4,826,101 |
| Interest on Total Pension Liability | 14,825,121 | 14,514,517 | 13,855,172 |
| Changes of Assumptions | - | (2,572,483) | - |
| Differences Between Expected and Actual Experience | (382,197) | (1,596,171) | - |
| Benefit Payments, including Refunds of Employee Contributions | (10,188,780) | (9,932,033) | (9,114,501) |
| | (4,802,630) | - | - |
| NET CHANGE IN TOTAL PENSION LIABILITY | 4,192,615 | 5,254,479 | 9,566,772 |
| Total Pension Liability - Beginning | 201,701,092 | 196,446,613 | 186,879,841 |
| TOTAL PENSION LIABILITY - ENDING | <u>\$ 205,893,707</u> | <u>\$ 201,701,092</u> | <u>\$ 196,446,613</u> |
| PLAN FIDUCIARY NET POSITION | | | |
| Plan to Plan Resource Movement | \$ 72,635 | \$ 3,012 | \$ - |
| Contributions - Employer | 4,671,021 | 5,428,168 | 3,778,744 |
| Contributions - Employee | 2,298,421 | 2,182,847 | 2,027,657 |
| Net Investment Income | 841,268 | 3,688,340 | 24,523,349 |
| Benefit Payments, including Refunds of Employee Contributions | (10,188,780) | (9,932,033) | (9,114,501) |
| Administrative Expense | (98,149) | (185,557) | - |
| Changes in Allocation | (3,928,147) | 648,042 | - |
| NET CHANGE IN PLAN FIDUCIARY NET POSITION | (6,331,731) | 1,832,819 | 21,215,249 |
| Plan Fiduciary Net Position - Beginning | 164,974,493 | 163,141,674 | 141,926,425 |
| PLAN FIDUCIARY NET POSITION - ENDING | <u>\$ 158,642,762</u> | <u>\$ 164,974,493</u> | <u>\$ 163,141,674</u> |
| Net Pension Liability - Ending | <u>\$ 47,250,945</u> | <u>\$ 36,726,599</u> | <u>\$ 33,304,939</u> |
| Plan Fiduciary Net Percentage as a Percentage of the Total Pension Liability | 77.05 % | 81.79 % | 83.05 % |
| Covered Payroll | \$ 33,544,186 | \$ 32,882,926 | \$ 31,401,502 |
| Net Pension Liability as a Percentage of Covered Payroll | 140.86 % | 111.69 % | 106.06 % |

*Fiscal year 2015 was the 1st year of implementation. Additional years will be presented as they become available.

See accompanying Notes to Required Supplementary Information.

COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF CHANGE IN THE NET PENSION LIABILITY AND RELATED RATIOS
(CONTINUED)
YEAR ENDED JUNE 30, 2017

| Last 10 Fiscal Years* | Safety Plans | | |
|---|----------------------|----------------------|----------------------|
| | Reporting Year | | |
| | (Measurement Year) | | |
| | 2017 2016 | 2016 2015 | 2015 2014 |
| TOTAL PENSION LIABILITY | | | |
| Service Cost | \$ 2,007,465 | \$ 1,988,051 | \$ 2,113,941 |
| Interest on Total Pension Liability | 6,270,398 | 5,942,232 | 5,666,380 |
| Changes of Assumptions | - | (1,563,422) | - |
| Differences Between Expected and Actual Experience | 560,154 | (155,283) | - |
| Benefit Payments, including Refunds of Employee Contributions | (4,311,418) | (4,109,383) | (3,639,000) |
| | - | - | - |
| NET CHANGE IN TOTAL PENSION LIABILITY | 4,526,599 | 2,102,195 | 4,141,321 |
| Total Pension Liability - Beginning | 82,557,801 | 80,455,606 | 76,314,285 |
| TOTAL PENSION LIABILITY - ENDING | <u>\$ 87,084,400</u> | <u>\$ 82,557,801</u> | <u>\$ 80,455,606</u> |
| PLAN FIDUCIARY NET POSITION | | | |
| Plan to Plan Resource Movement | \$ (76,798) | \$ - | \$ - |
| Contributions - Employer | 1,786,359 | 1,588,960 | 1,482,762 |
| Contributions - Employee | 808,781 | 789,111 | 781,834 |
| Net Investment Income | 314,323 | 1,432,813 | 9,708,850 |
| Benefit Payments, including Refunds of Employee Contributions | (4,311,418) | (4,109,383) | (3,639,000) |
| Administrative Expense | (39,064) | (72,138) | - |
| Changes in Allocation | - | - | - |
| NET CHANGE IN PLAN FIDUCIARY NET POSITION | (1,517,817) | (370,637) | 8,334,446 |
| Plan Fiduciary Net Position - Beginning | 64,097,918 | 64,468,555 | 56,134,109 |
| PLAN FIDUCIARY NET POSITION - ENDING | <u>\$ 62,580,101</u> | <u>\$ 64,097,918</u> | <u>\$ 64,468,555</u> |
| Net Pension Liability - Ending | <u>\$ 24,504,299</u> | <u>\$ 18,459,883</u> | <u>\$ 15,987,051</u> |
| Plan Fiduciary Net Percentage as a Percentage of the Total Pension Liability | 71.86 % | 77.64 % | 80.13 % |
| Covered Payroll | \$ 8,615,731 | \$ 8,539,737 | \$ 8,511,542 |
| Net Pension Liability as a Percentage of Covered Payroll | 284.41 % | 216.16 % | 187.83 % |

*Fiscal year 2015 was the 1st year of implementation. Additional years will be presented as they become available.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017**

| Last 10 Fiscal Years* | Miscellaneous Plans | | |
|--|---------------------|-----------------------|---------------|
| | 2017 | 2016 | 2015 |
| Actuarially Determined Contribution | \$ 4,671,021 | \$ 4,175,867 | \$ 3,915,688 |
| Determined Contribution | 4,671,021 | 5,428,169 | 3,915,688 |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ (1,252,302)</u> | <u>\$ -</u> |
| County's Covered Payroll | \$ 33,544,186 | \$ 32,882,925 | \$ 31,401,502 |
| Contributions as a Percentage of Covered Payroll | 14.72% | 16.51% | 12.47% |

| Last 10 Fiscal Years* | Safety Plans | | |
|--|--------------|--------------|--------------|
| | 2017 | 2016 | 2015 |
| Actuarially Determined Contribution | \$ 1,786,359 | \$ 1,588,960 | \$ 1,482,762 |
| Determined Contribution | 1,786,359 | 1,588,960 | 1,482,762 |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's Covered Payroll | \$ 8,615,731 | \$ 8,539,737 | \$ 8,551,542 |
| Contributions as a Percentage of Covered Payroll | 20.73% | 18.61% | 17.34% |

*Fiscal year 2015 was the 1st year of implementation. Additional years will be presented as they become available.

**COUNTY OF LAKE, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS – POSTEMPLOYMENT HEALTH PLAN
YEAR ENDED JUNE 30, 2017**

| Valuation Date | Projected Unit Credit Accrued Liability | Actuarial Value of Assets | Unfunded Liability (Excess Assets) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Payroll |
|-------------------|--|---------------------------------|---|-----------------|------------------------------|------------------------------|
| July 1, 2011 | \$ 6,395,104 | \$ - | \$ 6,395,104 | 0.00% | \$ 38,444,213 | 16.63% |
| July 1, 2013 | 8,147,482 | - | 8,147,482 | 0.00% | 39,227,069 | 20.77% |
| July 1, 2015 | 9,716,810 | - | 9,716,810 | 0.00% | 40,216,178 | 24.16% |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-------------------------------------|------------------|---------------|----------------|-------------------------------|
| | Original | Final | | |
| RESOURCES (INFLOWS) | | | | |
| Taxes | \$ 27,190,706 | \$ 27,355,833 | \$ 28,979,025 | \$ 1,623,192 |
| Licenses and Permits | 109,245 | 109,245 | 970,988 | 861,743 |
| Fines, Forfeitures, and Penalties | 939,250 | 939,250 | 1,104,968 | 165,718 |
| Use of Money and Property | 502,940 | 502,940 | 748,078 | 245,138 |
| Intergovernmental | 12,488,445 | 13,527,800 | 13,801,290 | 273,490 |
| Charges for Services | 4,713,657 | 4,760,938 | 4,481,210 | (279,728) |
| Other Revenues | 901,178 | 3,115,997 | 2,797,298 | (318,699) |
| Amounts Available for Appropriation | 46,845,421 | 50,312,003 | 52,882,857 | 2,570,854 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| County Counsel | 739,883 | 739,883 | 709,556 | 30,327 |
| Registrar of Voters | 698,830 | 703,830 | 654,965 | 48,865 |
| Non Departmental | 161,416 | 90,903 | 25,409 | 65,494 |
| Auditor-Controller | 969,316 | 930,605 | 848,822 | 81,783 |
| Treasurer-Tax Collector | 1,176,332 | 1,175,501 | 1,072,113 | 103,388 |
| Assessor | 1,239,134 | 1,239,135 | 1,072,504 | 166,631 |
| Central Services | 107,676 | 116,643 | 82,408 | 34,235 |
| Public Works Admin | 796,410 | 795,364 | 581,898 | |
| Board of Supervisors | 467,813 | 467,813 | 447,382 | 20,431 |
| Administrative Office | 752,456 | 696,515 | 622,549 | 73,966 |
| Clerk to Bd of Supervisor | 98,907 | 99,289 | 84,692 | 14,597 |
| Information Technology | 1,198,314 | 1,156,814 | 1,053,792 | 103,022 |
| Engineering & Inspection | 1,255,071 | 1,253,368 | 993,318 | 260,050 |
| Human Resources | 691,441 | 768,143 | 630,103 | 138,040 |
| Marketing & Econ Dvlpmnt | 679,179 | 679,179 | 629,691 | 49,488 |
| Buildings & Grounds | 1,169,595 | 1,257,740 | 1,237,827 | 19,913 |
| Plant Aquisition | 1,587,756 | 2,179,256 | 511,457 | 1,667,799 |
| Appropriation for contingencies | 1,453,389 | 1,453,389 | - | 1,453,389 |
| Total General Government | 15,242,918 | 15,803,370 | 11,258,486 | 4,331,418 |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------|------------------|--------------|----------------|-------------------------------|
| | Original | Final | | |
| Current (Continued): | | | | |
| Public Protection: | | | | |
| Sheriff-Jail Facilities | \$ 8,673,101 | \$ 8,726,728 | \$ 8,304,344 | \$ 422,384 |
| Probation | 4,657,446 | 4,660,877 | 4,377,129 | 283,748 |
| Jail-Medical Services | 1,906,952 | 1,906,952 | 1,814,368 | 92,584 |
| Trial Courts | 286,158 | 292,658 | 288,820 | 3,838 |
| Grand Jurors | 53,447 | 71,447 | 66,333 | 5,114 |
| District Attorney | 3,583,027 | 3,614,546 | 3,455,323 | 159,223 |
| Public Defender | 1,246,361 | 1,446,361 | 1,375,625 | 70,736 |
| DA/Victim-Witness Program | 390,962 | 414,962 | 339,063 | 75,899 |
| Planning | 1,254,470 | 1,247,092 | 1,095,436 | 151,656 |
| Animal Care & Control | 962,406 | 961,958 | 937,783 | 24,175 |
| Emergency Services | 211,174 | 520,584 | 55,086 | 465,498 |
| Recorder | 275,342 | 275,342 | 240,549 | 34,793 |
| Agricultural Commissioner | 604,506 | 624,318 | 561,576 | 62,742 |
| Sheriff-Coroner | 8,883,896 | 9,027,529 | 8,831,372 | 196,157 |
| Sh-Marijuana Suppression | 192,000 | 192,000 | 170,160 | 21,840 |
| Sheriff-Court Security | 568,657 | 593,657 | 512,042 | 81,615 |
| Sheriff-Marine Patrol | 442,536 | 442,536 | 405,388 | 37,148 |
| Sheriff-Central Dispatch | 1,096,225 | 1,095,318 | 963,144 | 132,174 |
| Total Public Protection | 35,288,666 | 36,114,865 | 33,793,541 | 2,321,324 |
| Public Assistance: | | | | |
| Senior Citizens Program | 105,517 | 105,517 | 105,517 | - |
| Veterans Services | 282,281 | 288,881 | 257,064 | 31,817 |
| Total Public Assistance | 387,798 | 394,398 | 362,581 | 31,817 |
| Education: | | | | |
| UC Cooperative Extension | 214,042 | 214,042 | 196,135 | 17,907 |
| Recreation and Culture: | | | | |
| Museum | 180,611 | 186,442 | 162,704 | 23,738 |
| Parks and Recreation | 1,795,095 | 2,209,300 | 1,924,915 | 284,385 |
| Total Recreation and Culture | 1,975,706 | 2,395,742 | 2,087,619 | 308,123 |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Capital Outlay: | | | | |
| Auditor-Controller | \$ - | \$ 8,950 | \$ 8,310 | \$ 640 |
| Information Technology | 205,000 | 209,500 | 141,549 | 67,951 |
| District Attorney | 175,000 | 175,000 | - | 175,000 |
| Sheriff-Central Dispatch | 50,000 | 50,000 | - | 50,000 |
| Probation | 86,300 | 86,300 | 85,746 | 554 |
| Sheriff-Jail Facilities | 601,500 | 581,407 | 229,959 | 351,448 |
| Agricultural Commissioner | 12,575 | 12,575 | - | 12,575 |
| Animal Care and Control | 57,000 | 74,202 | 74,015 | 187 |
| Emergency Services | 68,187 | - | - | - |
| Parks and Recreation | 800,416 | 1,083,182 | 350,383 | 732,799 |
| Total Capital Outlay | <u>2,055,978</u> | <u>2,281,116</u> | <u>889,962</u> | <u>1,391,154</u> |
| Total Expenditures | <u>55,165,108</u> | <u>57,203,533</u> | <u>48,588,324</u> | <u>8,401,743</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (8,319,687) | (6,891,530) | 4,294,533 | 11,186,063 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,055,548 | 1,555,548 | 1,555,548 | - |
| Transfers out | (1,997,534) | (2,252,661) | (574,847) | 1,677,814 |
| Proceeds from Sale of Capital Assets | - | - | 3,228 | 3,228 |
| Total Other Financing Sources (Uses) | <u>1,058,014</u> | <u>(697,113)</u> | <u>983,929</u> | <u>1,681,042</u> |
| NET CHANGE IN FUND BALANCE | (7,261,673) | (7,588,643) | 5,278,462 | 12,867,105 |
| Fund Balances - Beginning of Year | <u>27,660,707</u> | <u>27,660,707</u> | <u>27,660,707</u> | <u>-</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 20,399,034</u> | <u>\$ 20,072,064</u> | <u>\$ 32,939,169</u> | <u>\$ 12,867,105</u> |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

| | |
|--|---------------------|
| Net Change in Fund Balances - Budgetary Basis | \$ 5,278,462 |
|--|---------------------|

The amount reported in the Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance was different because:

| | |
|---|--------------------|
| Special Item | (4,500,000) |
| Cumulative Effect of Reclassification of Advances to and from Other Funds | <u>(1,554,277)</u> |

| | |
|--|----------------------------|
| Net Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances | \$ <u>(775,815)</u> |
|--|----------------------------|

Reconciliation of Fund Balances - Budgetary to GAAP Basis:

| | |
|---|----------------------|
| Fund Balances - Ending - Budgetary Basis | \$ 32,939,169 |
|---|----------------------|

| | |
|---|--------------------|
| Settlement Liability | (4,500,000) |
| Cumulative Effect of Reclassification of Advances to and from Other Funds | <u>(1,554,277)</u> |

| | |
|---------------------------------------|-----------------------------|
| Fund Balances - Ending - Basis | \$ <u>26,884,892</u> |
|---------------------------------------|-----------------------------|

Indirect charges of \$1,134,280 are reported as revenues and expenditures for budgetary purposes but are eliminated for financial reporting purposes

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 1,882 | \$ 1,882 | \$ 5,091 | \$ 3,209 |
| Intergovernmental | 489,284 | 489,284 | 114,339 | (374,945) |
| Charges for Services | - | - | 19 | 19 |
| Other Revenues | 15,453 | 15,453 | 174,163 | 158,710 |
| Total Revenues | 506,619 | 506,619 | 293,612 | (213,007) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Assistance | 1,278,347 | 1,304,404 | 327,167 | 977,237 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (771,728) | (797,785) | (33,555) | 764,230 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 230,654 | 230,654 | 65,000 | (165,654) |
| NET CHANGE IN FUND BALANCE | (541,074) | (567,131) | 31,445 | 598,576 |
| Fund Balances - Beginning of Year | 5,667,623 | 5,667,623 | 5,667,623 | - |
| FUND BALANCES - END OF YEAR | <u>\$ 5,126,549</u> | <u>\$ 5,100,492</u> | <u>\$ 5,699,068</u> | <u>\$ 598,576</u> |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 43,891,615 | \$ 43,891,615 | \$ 39,348,644 | \$ (4,542,971) |
| Charges for Services | 1,203,966 | 1,203,966 | 669,815 | (534,151) |
| Other Revenues | 24,550 | 24,550 | 35,843 | 11,293 |
| Total Revenues | 45,120,131 | 45,120,131 | 40,054,302 | (5,065,829) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Assistance | 49,272,480 | 49,517,815 | 40,577,806 | 8,940,009 |
| Capital Outlay | 382,000 | 382,000 | 246,441 | 135,559 |
| Total Expenditures | 49,654,480 | 49,899,815 | 40,824,247 | 9,075,568 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (4,534,349) | (4,779,684) | (769,945) | 4,009,739 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 25,000 | 25,000 | 24,123 | (877) |
| Transfers out | (230,654) | (230,654) | (65,000) | 165,654 |
| Sale of Capital Assets | - | - | 17,068 | 17,068 |
| Total Other Financing Sources (Uses) | (205,654) | (205,654) | (23,809) | 181,845 |
| NET CHANGE IN FUND BALANCE | (4,740,003) | (4,985,338) | (793,754) | 4,191,584 |
| Fund Balances - Beginning of Year | 5,615,527 | 5,615,527 | 5,615,527 | - |
| FUND BALANCES - END OF YEAR | <u>\$ 875,524</u> | <u>\$ 630,189</u> | <u>\$ 4,821,773</u> | <u>\$ 4,191,584</u> |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HEALTH PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits | \$ 733,925 | \$ 733,925 | \$ 598,728 | \$ (135,197) |
| Fines and Forfeitures | 2,000 | 2,000 | 3,053 | 1,053 |
| Use of Money and Property | 1,300 | 1,300 | 4,743 | 3,443 |
| Intergovernmental Revenues | 4,377,194 | 4,377,194 | 3,343,240 | (1,033,954) |
| Charges for Services | 862,490 | 750,475 | 636,988 | (113,487) |
| Other Revenues | 11,415 | 11,415 | 17,472 | 6,057 |
| Total Revenues | 5,988,324 | 5,876,309 | 4,604,224 | (1,272,085) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and Sanitation | 6,402,413 | 6,387,774 | 4,749,847 | 1,637,927 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (414,089) | (511,465) | (145,623) | 365,842 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 118,222 | 118,222 | 118,222 | - |
| NET CHANGE IN FUND BALANCE | (295,867) | (393,243) | (27,401) | 365,842 |
| Fund Balances - Beginning of Year | 408,150 | 408,150 | 408,150 | - |
| FUND BALANCES - END OF YEAR | <u>\$ 112,283</u> | <u>\$ 14,907</u> | <u>\$ 380,749</u> | <u>\$ 365,842</u> |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DISASTER RESPONSE AND RECOVERY
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------|-------------------|-------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 1,000 | \$ 1,000 | \$ 7,627 | \$ 6,627 |
| Intergovernmental Revenues | 12,680,998 | 6,663,680 | 1,468,762 | (5,194,918) |
| Other Revenues | - | - | 18,330 | 18,330 |
| Total Revenues | 12,681,998 | 6,664,680 | 1,494,719 | (5,169,961) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 13,503,261 | 7,485,943 | 1,133,970 | 6,351,973 |
| NET CHANGE IN FUND BALANCE | (821,263) | (821,263) | 360,749 | 1,182,012 |
| Fund Balances - Beginning of Year | 814,927 | 814,927 | 814,927 | - |
| FUND BALANCES - END OF YEAR | <u>\$ (6,336)</u> | <u>\$ (6,336)</u> | <u>\$ 1,175,676</u> | <u>\$ 1,182,012</u> |

See accompanying Notes to Required Supplementary Information.

COUNTY OF LAKE, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

NOTE A SCHEDULE OF FUNDING PROGRESS – OTHER-POSTEMPLOYMENT BENEFITS

The Schedule of Funding Progress – Other Postemployment Benefits provides a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

NOTE B BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements.

- (1) The County Administrative Officer submits to the Board of Supervisors a recommended budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. The recommended budget is approved by the Board prior to July 1st.
- (2) The Board of Supervisors conducts an advertised public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to October 2, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as proposed expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object to another within the same department.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General and Special Revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The Supplementary Law Enforcement Services nonmajor special revenue fund did not have a legally adopted budget.

COUNTY OF LAKE, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

The County uses an encumbrance system as an extension of normal budgetary accounting for the general and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restrictions, commitments, or assignments of fund balance, depending on the funding sources, since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are rebudgeted in the ensuing year's budget.

Budgetary schedules were not prepared for the Anderson Springs Sewer fund, the debt service funds, the Geyser's Pipeline capital projects fund, and the Road Improvement Projects capital projects fund.

SUPPLEMENTARY INFORMATION

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENT FUNDS

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**COUNTY OF LAKE, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action and expenditures for specified purposes. Nonmajor special revenue funds used by the County are listed below:

- **ROAD**
to provide for the maintenance, repair, and reconstruction of roads and bridges within the County road system.
- **PARK DEVELOPMENT QUIMBY**
to provide for the maintenance and development of parks.
- **COMMUNITY DEVELOPMENT**
to account for the services to provide building and grading inspection services in the unincorporated area of Lake County.
- **GEOTHERMAL RESOURCE ROYALTIES**
to account for the geothermal impact mitigation fees and provide funding for various projects.
- **FISH AND GAME**
to account for the services provided for the protection and propagation of fish and game.
- **SPECIAL AVIATION**
to account for the operation and maintenance of the County Airport at Lampson Field.
- **SPECIAL DISTRICTS ADMINISTRATION**
to account for the administrative, labor, and overhead costs for the management of four wastewater systems, ten potable water systems, and nine lighting districts.
- **SHERIFF PROGRAMS**
to account for the operation of the Sheriff department.
- **DISTRICT ATTORNEY PROGRAMS**
to account for the activities of the District Attorney department.
- **ANIMAL MEDICAL CLINIC**
to account for operation and maintenance of the spay/neuter program.
- **SUPPLEMENTAL LAW ENFORCEMENT SERVICES**
to account for law enforcement operations.
- **MIDDLETOWN SEWER**
to account for activity of the Middletown Sewer District.
- **IHSS PUBLIC AUTHORITY**
to account for the County's activities for AB 1682 mandates.

**COUNTY OF LAKE, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS**

- **RECORDER PROGRAMS**
to account for recording activities.
- **AIR QUALITY DISTRICT**
to account for the operations of the air quality management district.
- **CDBG HOUSING PROGRAMS**
to account for the CDBG housing program activities.
- **CHILD SUPPORT SERVICES**
to account for the administrative oversight of the child support enforcement program.
- **MUSEUM**
to account for operation and maintenance of the County museum.
- **LIBRARY**
to account for library services in the unincorporated areas of the County.
- **LAKEBED MANAGEMENT**
to account for the activities to support the purposes of the State trust on Clearlake.
- **KELSEYVILLE WATERWORKS DISTRICT**
to account for the operation and maintenance of the Kelseyville area wastewater and potable water system.
- **BEHAVIORAL HEALTH PROGRAMS**
to account for mental health services of the County.
- **LAKE COUNTY HOUSING COMMISSION**
to account for the County Housing Commission activities.
- **WATERSHED PROTECTION DISTRICTS**
to account for the watershed protection activities of the County.
- **COUNTY SERVICE AREAS**
to account for the street lighting, public protection, health and sanitation, recreation and culture, public ways, and water utilities services provided by county service area districts in the unincorporated areas of the County.
- **LIGHTING DISTRICTS**
to account for the street lighting activities of the various lighting districts of the County.
- **SHERIFF MOTOR POOL**
to account for Sheriff's Department motor pool activity.
- **SANITATION DISTRICTS**
to account for the engineering, administration, and operational services of the various sanitation districts of the County.
- **ANDERSON SPRINGS SEWER**
to account for activity to construct a wastewater system.

**COUNTY OF LAKE, CALIFORNIA
NONMAJOR GOVERNMENTAL FUNDS**

DEBT SERVICE FUNDS

Debt Service Funds are used to account for accumulation of resources for, and payment of, principal and interest on the County's general long-term debt. Nonmajor debt service funds of the County are listed below:

- **SANITATION IMPROVEMENT DISTRICTS**
to account for the accumulation of resources and payment of principal and interest for debt of sanitation improvement districts.
- **LACOSAN ASSESSMENT DISTRICTS**
to account for the accumulation of resources and payment of principal and interest for debt of LACOSAN assessment districts.
- **COUNTY SERVICE AREA IMPROVEMENT DISTRICTS**
to account for the accumulation of resources and payment of principal and interest for debt of County service area improvement districts.
- **USDA RUS LOANS**
to account for the accumulation of resources and payment of principal and interest for debt of the Kelseyville and Finley districts.
- **GEYSERS PIPELINE**
to account for the accumulation of resources and payment to principal and interest for the Geysers Pipeline project.

CAPITAL PROJECTS

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed by the proprietary fund types. Nonmajor capital projects funds are listed below:

- **CAPITAL PROJECTS – PUBLIC SAFETY FACILITIES**
to account for CDBG projects.
- **GEYSER'S PIPELINE**
to account for the Geyser pipeline construction.
- **ROAD IMPROVEMENT PROJECTS**
to account for road project costs.
- **SPECIAL PROJECTS**
to account for special projects.
- **CDBG**
to account for CDBG projects.
- **LAMPSON AIRPORT CAPITAL PROJECTS**
to account for capital projects at Lampson Airport.

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------------------|--------------------------|-------------------------------------|
| | Road | Park Development Quimby | Community Development | Geothermal Resource Royalties |
| ASSETS | | | | |
| Cash and Investments | \$ 5,653,750 | \$ 124,058 | \$ 1,224,569 | \$ 856,273 |
| Imprest Cash | - | - | 75 | - |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | 344,873 | - | - | 39,068 |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | 11,487 | - | - | - |
| Advances to Other Funds | - | - | - | 16,133 |
| Inventory | 117,605 | - | - | - |
| Loans Receivable | - | - | 51,566 | - |
| | <u>-</u> | <u>-</u> | <u>51,566</u> | <u>-</u> |
| Total Assets | <u>\$ 6,127,715</u> | <u>\$ 124,058</u> | <u>\$ 1,276,210</u> | <u>\$ 911,474</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 455,272 | \$ - | \$ 22,617 | \$ 143,757 |
| Salaries and Benefits Payable | 224,638 | - | 58,640 | - |
| Deposits Payable | - | - | - | - |
| Unearned Revenue | - | - | 51,566 | - |
| Advance from Other Funds | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>679,910</u> | <u>-</u> | <u>132,823</u> | <u>143,757</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | 117,605 | - | - | - |
| Restricted | 5,330,200 | 124,058 | 1,143,387 | 767,717 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>5,447,805</u> | <u>124,058</u> | <u>1,143,387</u> | <u>767,717</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 6,127,715</u> | <u>\$ 124,058</u> | <u>\$ 1,276,210</u> | <u>\$ 911,474</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|--|---------------------|
| | Fish and Game | Special Aviation | Special Districts Administration | Sheriff Programs |
| ASSETS | | | | |
| Cash and Investments | \$ 68,014 | \$ 23,407 | \$ 536,061 | \$ 2,818,796 |
| Imprest Cash | - | - | 400 | - |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | - | - | - | 17,073 |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | - | - | - | - |
| Advances to Other Funds | - | - | - | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | - | - |
| Total Assets | <u>\$ 68,014</u> | <u>\$ 23,407</u> | <u>\$ 536,461</u> | <u>\$ 2,835,869</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 9,439 | \$ 165 | \$ 4,442 | \$ 17,763 |
| Salaries and Benefits Payable | - | 1,205 | 317,142 | - |
| Deposits Payable | - | - | - | - |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | 10,000 | - | - | - |
| Total Liabilities | <u>19,439</u> | <u>1,370</u> | <u>321,584</u> | <u>17,763</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 48,575 | 22,037 | 214,877 | 2,818,106 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | <u>48,575</u> | <u>22,037</u> | <u>214,877</u> | <u>2,818,106</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 68,014</u> | <u>\$ 23,407</u> | <u>\$ 536,461</u> | <u>\$ 2,835,869</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|----------------------------------|-----------------------------|--|---------------------|
| | District Attorney Programs | Animal Medical Clinic | Supplemental Law Enforcement Services | Middletown Sewer |
| ASSETS | | | | |
| Cash and Investments | \$ 203,824 | \$ 15,229 | \$ 14 | \$ 844,897 |
| Imprest Cash | - | - | - | - |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | - | - | - | - |
| Advances to Other Funds | - | - | - | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ 203,824</u> | <u>\$ 15,229</u> | <u>\$ 14</u> | <u>\$ 844,897</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ 464 | \$ - | \$ 23,883 |
| Salaries and Benefits Payable | - | - | - | - |
| Deposits Payable | - | - | - | - |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | - | 464 | - | 23,883 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 203,824 | 14,765 | 14 | 821,014 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>203,824</u> | <u>14,765</u> | <u>14</u> | <u>821,014</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 203,824</u> | <u>\$ 15,229</u> | <u>\$ 14</u> | <u>\$ 844,897</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|-----------------------------|----------------------|----------------------------|-------------------|
| | IHSS Public Authority | Recorder Programs | Air Quality District | CDBG Programs |
| ASSETS | | | | |
| Cash and Investments | \$ 234 | \$ 1,730,664 | \$ 710,746 | \$ 372 |
| Imprest Cash | - | - | - | - |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | - | - | - | - |
| Advances to Other Funds | - | - | - | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | - | 462,528 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>462,528</u> |
| Total Assets | <u>\$ 234</u> | <u>\$ 1,730,664</u> | <u>\$ 710,746</u> | <u>\$ 462,900</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ 3,973 | \$ - |
| Salaries and Benefits Payable | - | 803 | 46,041 | - |
| Deposits Payable | - | - | - | - |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>803</u> | <u>50,014</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 234 | 1,729,861 | 660,732 | 462,900 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | <u>234</u> | <u>1,729,861</u> | <u>660,732</u> | <u>462,900</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 234</u> | <u>\$ 1,730,664</u> | <u>\$ 710,746</u> | <u>\$ 462,900</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|------------------------------|------------------|-------------------|-----------------------|
| | Child Support Services | Museum | Library | Lakebed Management |
| ASSETS | | | | |
| Cash and Investments | \$ 266,124 | \$ 14,514 | \$ 470,787 | \$ 168,246 |
| Imprest Cash | 50 | - | 80 | - |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | - | - | - | - |
| Advances to Other Funds | - | - | - | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ 266,174</u> | <u>\$ 14,514</u> | <u>\$ 470,867</u> | <u>\$ 168,246</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 9,026 | \$ - | \$ 102,248 | \$ 1,888 |
| Salaries and Benefits Payable | 179,259 | - | 59,046 | - |
| Deposits Payable | - | - | - | - |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | 188,285 | - | 161,294 | 1,888 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 77,889 | 14,514 | 309,573 | 166,358 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>77,889</u> | <u>14,514</u> | <u>309,573</u> | <u>166,358</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 266,174</u> | <u>\$ 14,514</u> | <u>\$ 470,867</u> | <u>\$ 168,246</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|---------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| | Kelseyville Waterworks District | Behavioral Health Programs | Lake County Housing Commission | Watershed Protection Districts |
| ASSETS | | | | |
| Cash and Investments | \$ 822,028 | \$ 7,472,847 | \$ 481,256 | \$ 1,827,214 |
| Imprest Cash | - | 830 | - | 25 |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | - | 901,149 | 5,080 | 21,184 |
| Due from Other Governments | - | 15,019 | - | - |
| Interest Receivable | - | 8,405 | - | - |
| Advances to Other Funds | - | - | 53,386 | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | 687,956 | - |
| | <u>-</u> | <u>-</u> | <u>687,956</u> | <u>-</u> |
| Total Assets | <u>\$ 822,028</u> | <u>\$ 8,398,250</u> | <u>\$ 1,227,678</u> | <u>\$ 1,848,423</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 59,934 | \$ 517,621 | \$ - | \$ 21,131 |
| Salaries and Benefits Payable | - | 536,259 | - | 85,136 |
| Deposits Payable | - | - | 43,238 | - |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>59,934</u> | <u>1,053,880</u> | <u>43,238</u> | <u>106,267</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | 15,019 | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 762,094 | 7,329,351 | 1,184,440 | 1,742,156 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>762,094</u> | <u>7,329,351</u> | <u>1,184,440</u> | <u>1,742,156</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 822,028</u> | <u>\$ 8,398,250</u> | <u>\$ 1,227,678</u> | <u>\$ 1,848,423</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|----------------------------|-----------------------|--------------------------|-------------------------|
| | County Service Areas | Lighting Districts | Sheriff Motor Pool | Sanitation Districts |
| ASSETS | | | | |
| Cash and Investments | \$ 6,239,508 | \$ 456,486 | \$ 1,851,445 | \$ 3,764,381 |
| Imprest Cash | - | - | - | - |
| Cash with Fiscal Agent | - | - | - | 321,390 |
| Accounts Receivable | - | - | - | 19,225 |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | - | - | - | 5,224 |
| Advances to Other Funds | - | - | - | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$ 6,239,508</u> | <u>\$ 456,486</u> | <u>\$ 1,851,445</u> | <u>\$ 4,110,220</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 529,835 | \$ - | \$ - | \$ 205,958 |
| Salaries and Benefits Payable | - | - | - | - |
| Deposits Payable | - | - | - | 47,662 |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | 409,728 | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 939,563 | - | - | 253,620 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 5,299,945 | 456,486 | 1,851,445 | 3,856,600 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Fund Balances | 5,299,945 | 456,486 | 1,851,445 | 3,856,600 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 6,239,508</u> | <u>\$ 456,486</u> | <u>\$ 1,851,445</u> | <u>\$ 4,110,220</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Revenue Funds | Debt Service Funds | | |
|--|------------------------------|--|------------------------------------|--|
| | Anderson Springs Sewer | Sanitation Improvement Districts | LACOSAN Assessment Districts | County Service Area Improvement Districts |
| ASSETS | | | | |
| Cash and Investments | \$ 52,561 | \$ 60,856 | \$ 974,680 | \$ 1,144,571 |
| Imprest Cash | - | - | - | - |
| Cash with Fiscal Agent | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Due from Other Governments | - | - | - | - |
| Interest Receivable | - | - | - | - |
| Advances to Other Funds | - | - | - | - |
| Inventory | - | - | - | - |
| Loans Receivable | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$ 52,561</u> | <u>\$ 60,856</u> | <u>\$ 974,680</u> | <u>\$ 1,144,571</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ - | \$ 206,378 | \$ - |
| Salaries and Benefits Payable | - | - | - | - |
| Deposits Payable | - | - | - | - |
| Unearned Revenue | - | - | - | - |
| Advance from Other Funds | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | - | - | 206,378 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 52,561 | 60,856 | 768,302 | 1,144,571 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Fund Balances | <u>52,561</u> | <u>60,856</u> | <u>768,302</u> | <u>1,144,571</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 52,561</u> | <u>\$ 60,856</u> | <u>\$ 974,680</u> | <u>\$ 1,144,571</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Debt Service Funds | | Capital Project Funds | | |
|--|---------------------|---------------------|--------------------------------|----------------------|---------------------------------|
| | USDA RUS Loans | Geyser Pipeline | Public Safety Facilities | Geyser's Pipeline | Road Improvement Projects |
| ASSETS | | | | | |
| Cash and Investments | \$ 1,497,739 | \$ 4,079,893 | \$ 1,272,497 | \$ 506,720 | \$ 389,471 |
| Imprest Cash | - | - | - | - | - |
| Cash with Fiscal Agent | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - |
| Due from Other Governments | - | - | - | - | - |
| Interest Receivable | - | - | - | - | - |
| Advances to Other Funds | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| Loans Receivable | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ 1,497,739</u> | <u>\$ 4,079,893</u> | <u>\$ 1,272,497</u> | <u>\$ 506,720</u> | <u>\$ 389,471</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and Benefits Payable | - | - | - | - | - |
| Deposits Payable | - | - | - | - | - |
| Unearned Revenue | - | - | - | 506,720 | 390,176 |
| Advance from Other Funds | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>506,720</u> | <u>390,176</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenue | - | - | - | - | - |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 1,497,739 | 4,079,893 | - | - | - |
| Assigned | - | - | 1,272,497 | - | - |
| Unassigned | - | - | - | - | (705) |
| Total Fund Balances | <u>1,497,739</u> | <u>4,079,893</u> | <u>1,272,497</u> | <u>-</u> | <u>(705)</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,497,739</u> | <u>\$ 4,079,893</u> | <u>\$ 1,272,497</u> | <u>\$ 506,720</u> | <u>\$ 389,471</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

| | Capital Project Funds | | | |
|--|-----------------------|-------------------|---|----------------------|
| | Special Projects | CDBG | Lampson Airport Capital Projects | Totals |
| ASSETS | | | | |
| Cash and Investments | \$ 2,281,884 | \$ 176,591 | \$ 31,533 | \$ 51,114,740 |
| Imprest Cash | - | - | - | 1,460 |
| Cash with Fiscal Agent | - | - | - | 321,390 |
| Accounts Receivable | - | - | 24,441 | 1,372,093 |
| Due from Other Governments | - | - | - | 15,019 |
| Interest Receivable | - | - | - | 25,116 |
| Advances to Other Funds | - | - | - | 69,519 |
| Inventory | - | - | - | 117,605 |
| Loans Receivable | - | - | - | 1,202,050 |
| | | | | |
| Total Assets | <u>\$ 2,281,884</u> | <u>\$ 176,591</u> | <u>\$ 55,974</u> | <u>\$ 54,238,992</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ 1,000 | \$ 27,157 | \$ 2,363,951 |
| Salaries and Benefits Payable | - | - | - | 1,508,169 |
| Deposits Payable | - | - | - | 90,900 |
| Unearned Revenue | - | - | - | 948,462 |
| Advance from Other Funds | - | - | - | 419,728 |
| Total Liabilities | <u>-</u> | <u>1,000</u> | <u>27,157</u> | <u>5,331,210</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | 15,019 |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | 117,605 |
| Restricted | - | 175,591 | 28,817 | 45,221,482 |
| Assigned | 2,281,884 | - | - | 3,554,381 |
| Unassigned | - | - | - | (705) |
| Total Fund Balances | <u>2,281,884</u> | <u>175,591</u> | <u>28,817</u> | <u>48,892,763</u> |
| | | | | |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,281,884</u> | <u>\$ 176,591</u> | <u>\$ 55,974</u> | <u>\$ 54,238,992</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------------------|--------------------------|-------------------------------------|
| | Road | Park Development Quimby | Community Development | Geothermal Resource Royalties |
| REVENUES | | | | |
| Taxes | \$ 738,125 | \$ - | \$ 2,500 | \$ - |
| Licenses, Permits and Franchise Fees | 188,449 | - | 757,558 | - |
| Fines and Forfeitures | 613 | - | 2,592 | - |
| Use of Money and Property | 53,998 | 1,210 | 6,164 | 9,060 |
| Intergovernmental | 7,566,459 | - | - | 1,171,061 |
| Charges for Services | 18,307 | 27,144 | 627,986 | - |
| Other Revenues | 4,484 | - | 6,066 | 4,506 |
| Total Revenues | 8,570,435 | 28,354 | 1,402,866 | 1,184,627 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | 521,213 |
| Public Protection | - | - | 952,248 | - |
| Public Ways and Facilities | 4,891,456 | - | - | - |
| Health and Sanitation | - | - | - | - |
| Public Assistance | - | - | - | - |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | 5,435,443 | 2,949 | - | 6,240 |
| Total Expenditures | 10,326,899 | 2,949 | 952,248 | 527,453 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,756,464) | 25,405 | 450,618 | 657,174 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 15,871 | - | - | - |
| Transfers out | - | - | - | (934,566) |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | - | - | - | - |
| Total Other Financing Sources (Uses) | 15,871 | - | - | (934,566) |
| NET CHANGE IN FUND BALANCE | (1,740,593) | 25,405 | 450,618 | (277,392) |
| Fund Balances - Beginning of Year | 7,188,398 | 98,653 | 692,769 | 1,045,109 |
| FUND BALANCES - END OF YEAR | <u>\$ 5,447,805</u> | <u>\$ 124,058</u> | <u>\$ 1,143,387</u> | <u>\$ 767,717</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|-----------------------|---------------------|--|---------------------|
| | Fish and Game | Special Aviation | Special Districts Administration | Sheriff Programs |
| REVENUES | | | | |
| Taxes | \$ 63,185 | \$ 278 | \$ - | \$ - |
| Licenses, Permits and Franchise Fees | - | - | - | - |
| Fines and Forfeitures | 14,930 | - | - | 197,146 |
| Use of Money and Property | 410 | 39,996 | 3,337 | 20,443 |
| Intergovernmental | 3,980 | 10,000 | 153,504 | 766,533 |
| Charges for Services | - | - | 3,941,726 | 33,859 |
| Other Revenues | - | 16 | 2,217 | 114,642 |
| Total Revenues | 82,505 | 50,290 | 4,100,784 | 1,132,623 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Protection | 99,876 | - | - | 699,739 |
| Public Ways and Facilities | - | 77,179 | 4,044,314 | - |
| Health and Sanitation | - | - | - | - |
| Public Assistance | - | - | - | - |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | - | - | 27,700 | 87,275 |
| Total Expenditures | 99,876 | 77,179 | 4,072,014 | 787,014 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (17,371) | (26,889) | 28,770 | 345,609 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 36,513 | 11,817 | - | - |
| Transfers out | - | (7,521) | - | - |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | - | - | - | - |
| Total Other Financing Sources (Uses) | 36,513 | 4,296 | - | - |
| NET CHANGE IN FUND BALANCE | 19,142 | (22,593) | 28,770 | 345,609 |
| Fund Balances - Beginning of Year | 29,433 | 44,630 | 186,107 | 2,472,497 |
| FUND BALANCES - END OF YEAR | \$ 48,575 | \$ 22,037 | \$ 214,877 | \$ 2,818,106 |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|----------------------------------|-----------------------------|--|---------------------|
| | District Attorney Programs | Animal Medical Clinic | Supplemental Law Enforcement Services | Middletown Sewer |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses, Permits and Franchise Fees | - | 9,555 | - | - |
| Fines and Forfeitures | 66,186 | - | - | 1,802 |
| Use of Money and Property | 1,479 | - | 41 | 6,010 |
| Intergovernmental | 812 | - | 515,524 | 20,402 |
| Charges for Services | 6,578 | 80,290 | - | 397,234 |
| Other Revenues | - | 11,111 | - | 144 |
| Total Revenues | 75,055 | 100,956 | 515,565 | 425,592 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Protection | 35,270 | 170,700 | 515,559 | - |
| Public Ways and Facilities | - | - | - | - |
| Health and Sanitation | - | - | - | 300,527 |
| Public Assistance | - | - | - | - |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | - | - | - | 9,555 |
| Total Expenditures | 35,270 | 170,700 | 515,559 | 310,082 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 39,785 | (69,744) | 6 | 115,510 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 69,000 | - | - |
| Transfers out | - | - | - | - |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | - | - | - | - |
| Total Other Financing Sources (Uses) | - | 69,000 | - | - |
| NET CHANGE IN FUND BALANCE | 39,785 | (744) | 6 | 115,510 |
| Fund Balances - Beginning of Year | 164,039 | 15,509 | 8 | 705,504 |
| FUND BALANCES - END OF YEAR | <u>\$ 203,824</u> | <u>\$ 14,765</u> | <u>\$ 14</u> | <u>\$ 821,014</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|-----------------------------|----------------------|----------------------------|-------------------|
| | IHSS Public Authority | Recorder Programs | Air Quality District | CDBG Programs |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses, Permits and Franchise Fees | - | - | 479,444 | - |
| Fines and Forfeitures | - | - | 11,007 | - |
| Use of Money and Property | - | 13,220 | 5,144 | 1,884 |
| Intergovernmental | 344,291 | - | 318,238 | - |
| Charges for Services | 24,123 | 149,158 | 2,042 | - |
| Other Revenues | - | - | 8,938 | 32,635 |
| Total Revenues | 368,414 | 162,378 | 824,813 | 34,519 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Protection | - | 109,585 | - | - |
| Public Ways and Facilities | - | - | 616,908 | - |
| Health and Sanitation | - | - | - | - |
| Public Assistance | 344,291 | - | - | 226,682 |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | - | - | 94,398 | - |
| Total Expenditures | 344,291 | 109,585 | 711,306 | 226,682 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 24,123 | 52,793 | 113,507 | (192,163) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (24,123) | - | - | (232,048) |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | - | - | 1,510 | - |
| Total Other Financing Sources (Uses) | (24,123) | - | 1,510 | (232,048) |
| NET CHANGE IN FUND BALANCE | - | 52,793 | 115,017 | (424,211) |
| Fund Balances - Beginning of Year | 234 | 1,677,068 | 545,715 | 887,111 |
| FUND BALANCES - END OF YEAR | <u>\$ 234</u> | <u>\$ 1,729,861</u> | <u>\$ 660,732</u> | <u>\$ 462,900</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|------------------------------|------------------|-------------------|-----------------------|
| | Child Support Services | Museum | Library | Lakebed Management |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 767,121 | \$ - |
| Licenses, Permits and Franchise Fees | - | - | - | 26,218 |
| Fines and Forfeitures | - | - | 30 | - |
| Use of Money and Property | 2,058 | 120 | 12,990 | 2,276 |
| Intergovernmental | 2,289,395 | - | 81,762 | - |
| Charges for Services | - | - | 20,668 | - |
| Other Revenues | 2,360 | 6,090 | 44,396 | 158,960 |
| Total Revenues | 2,293,813 | 6,210 | 926,967 | 187,454 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | 176,099 |
| Public Protection | 2,199,644 | - | - | - |
| Public Ways and Facilities | - | - | - | - |
| Health and Sanitation | - | - | - | - |
| Public Assistance | - | - | - | - |
| Education | - | - | 1,047,298 | - |
| Recreation and Culture | - | 6,015 | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | 6,380 | - | - | - |
| Total Expenditures | 2,206,024 | 6,015 | 1,047,298 | 176,099 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 87,789 | 195 | (120,331) | 11,355 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 104,989 | - |
| Transfers out | - | - | - | - |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | 101 | - | - | - |
| Total Other Financing Sources (Uses) | 101 | - | 104,989 | - |
| NET CHANGE IN FUND BALANCE | 87,890 | 195 | (15,342) | 11,355 |
| Fund Balances - Beginning of Year | (10,001) | 14,319 | 324,915 | 155,003 |
| FUND BALANCES - END OF YEAR | <u>\$ 77,889</u> | <u>\$ 14,514</u> | <u>\$ 309,573</u> | <u>\$ 166,358</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | | | |
|--|---------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| | Kelseyville Waterworks District | Behavioral Health Programs | Lake County Housing Commission | Watershed Protection Districts |
| REVENUES | | | | |
| Taxes | \$ 104,332 | \$ - | \$ - | \$ 592,350 |
| Licenses, Permits and Franchise Fees | - | - | - | 93,454 |
| Fines and Forfeitures | 2,277 | 18,888 | - | 2,675 |
| Use of Money and Property | 6,045 | 55,188 | 2,254 | 25,194 |
| Intergovernmental | 6,178 | 13,435,290 | 1,800,395 | 176,871 |
| Charges for Services | 807,886 | 259,664 | 240,223 | 572,377 |
| Other Revenues | 47 | 45,870 | 9,383 | 171,425 |
| Total Revenues | 926,765 | 13,814,900 | 2,052,255 | 1,634,346 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | 244,278 |
| Public Protection | - | - | - | 1,804,780 |
| Public Ways and Facilities | 848,481 | - | - | - |
| Health and Sanitation | - | 12,360,251 | - | - |
| Public Assistance | - | - | 2,020,462 | - |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | 45,880 | 153,273 | - | 398,283 |
| Total Expenditures | 894,361 | 12,513,524 | 2,020,462 | 2,447,341 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 32,404 | 1,301,376 | 31,793 | (812,995) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 61,112 | - | - |
| Transfers out | - | - | - | - |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | 9,326 | 978 | - | - |
| Total Other Financing Sources (Uses) | 9,326 | 62,090 | - | - |
| NET CHANGE IN FUND BALANCE | 41,730 | 1,363,466 | 31,793 | (812,995) |
| Fund Balances - Beginning of Year | 720,364 | 5,965,885 | 1,152,647 | 2,555,151 |
| FUND BALANCES - END OF YEAR | <u>\$ 762,094</u> | <u>\$ 7,329,351</u> | <u>\$ 1,184,440</u> | <u>\$ 1,742,156</u> |

COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

| | Special Revenue Funds | | | |
|--|----------------------------|-----------------------|--------------------------|-------------------------|
| | County Service Areas | Lighting Districts | Sheriff Motor Pool | Sanitation Districts |
| REVENUES | | | | |
| Taxes | \$ 249,660 | \$ 83,838 | \$ - | \$ - |
| Licenses, Permits and Franchise Fees | - | - | - | - |
| Fines and Forfeitures | 9,784 | 55 | - | 240,839 |
| Use of Money and Property | 47,780 | 3,589 | - | 32,371 |
| Intergovernmental | 787,859 | 5,966 | - | - |
| Charges for Services | 2,022,203 | 2,544 | 222,342 | 6,000,742 |
| Other Revenues | 421,004 | - | - | 5,153 |
| Total Revenues | 3,538,290 | 95,992 | 222,342 | 6,279,105 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Protection | - | - | - | - |
| Public Ways and Facilities | 1,551,718 | 80,209 | - | - |
| Health and Sanitation | - | - | - | 6,045,777 |
| Public Assistance | - | - | - | - |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | 2,106,946 | - | 173,158 | 995,350 |
| Total Expenditures | 3,658,664 | 80,209 | 173,158 | 7,041,127 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (120,374) | 15,783 | 49,184 | (762,022) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (15,166) | - | - | - |
| Debt Issued | - | - | - | - |
| Sale of Capital Assets | - | - | - | 2,361 |
| Total Other Financing Sources (Uses) | (15,166) | - | - | 2,361 |
| NET CHANGE IN FUND BALANCE | (135,540) | 15,783 | 49,184 | (759,661) |
| Fund Balances - Beginning of Year | 5,435,485 | 440,703 | 1,802,261 | 4,616,261 |
| FUND BALANCES - END OF YEAR | <u>\$ 5,299,945</u> | <u>\$ 456,486</u> | <u>\$ 1,851,445</u> | <u>\$ 3,856,600</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

| | Revenue Funds | Debt Service Funds | | |
|--|------------------------------|--|------------------------------------|--|
| | Anderson Springs Sewer | Sanitation Improvement Districts | LACOSAN Assessment Districts | County Service Area Improvement Districts |
| REVENUES | | | | |
| Taxes | \$ - | \$ 7,186 | \$ 47,209 | \$ - |
| Licenses, Permits and Franchise Fees | - | - | - | - |
| Fines and Forfeitures | - | 8,863 | 10,861 | 17,261 |
| Use of Money and Property | 175 | 376 | 14,057 | 8,996 |
| Intergovernmental | 372,333 | - | - | - |
| Charges for Services | 62,500 | - | 356,377 | 280,572 |
| Other Revenues | - | - | - | - |
| Total Revenues | 435,008 | 16,425 | 428,504 | 306,829 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 821,406 | - |
| Public Protection | - | - | - | - |
| Public Ways and Facilities | - | - | - | - |
| Health and Sanitation | 382,447 | - | - | - |
| Public Assistance | - | - | - | - |
| Education | - | - | - | - |
| Recreation and Culture | - | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | 251,000 | 210,444 |
| Interest | - | - | 346,409 | 131,019 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 382,447 | - | 1,418,815 | 341,463 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 52,561 | 16,425 | (990,311) | (34,634) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Debt Issued | - | - | - | 90,726 |
| Sale of Capital Assets | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | 90,726 |
| NET CHANGE IN FUND BALANCE | 52,561 | 16,425 | (990,311) | 56,092 |
| Fund Balances - Beginning of Year | - | 44,431 | 1,758,613 | 1,088,479 |
| FUND BALANCES - END OF YEAR | <u>\$ 52,561</u> | <u>\$ 60,856</u> | <u>\$ 768,302</u> | <u>\$ 1,144,571</u> |

COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

| | Debt Service Funds | | Capital Project Funds | | |
|--|---------------------|---------------------|--------------------------------|----------------------|---------------------------------|
| | USDA RUS Loans | Geyser Pipeline | Public Safety Facilities | Geyser's Pipeline | Road Improvement Projects |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses, Permits and Franchise Fees | - | - | - | - | - |
| Fines and Forfeitures | - | - | - | - | - |
| Use of Money and Property | 11,997 | 34,848 | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Charges for Services | 299,010 | 989,541 | - | - | - |
| Other Revenues | - | - | - | - | - |
| Total Revenues | 311,007 | 1,024,389 | - | - | - |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | - | - | 91,175 | - | - |
| Public Protection | - | - | - | - | - |
| Public Ways and Facilities | - | - | - | - | - |
| Health and Sanitation | - | - | - | - | - |
| Public Assistance | - | - | - | - | - |
| Education | - | - | - | - | - |
| Recreation and Culture | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal | 110,601 | 901,778 | - | - | - |
| Interest | 114,919 | 108,266 | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Total Expenditures | 225,520 | 1,010,044 | 91,175 | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 85,487 | 14,345 | (91,175) | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | (630,000) | - | (705) |
| Debt Issued | - | - | - | - | - |
| Sale of Capital Assets | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | (630,000) | - | (705) |
| NET CHANGE IN FUND BALANCE | 85,487 | 14,345 | (721,175) | - | (705) |
| Fund Balances - Beginning of Year | 1,412,252 | 4,065,548 | 1,993,672 | - | - |
| FUND BALANCES - END OF YEAR | <u>\$ 1,497,739</u> | <u>\$ 4,079,893</u> | <u>\$ 1,272,497</u> | <u>\$ -</u> | <u>\$ (705)</u> |

COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

| | Capital Project Funds | | | |
|--|-----------------------|-------------------|---|----------------------|
| | Special Projects | CDBG | Lampson Airport Capital Projects - | Totals |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 2,655,784 |
| Licenses, Permits and Franchise Fees | - | - | - | 1,554,678 |
| Fines and Forfeitures | - | - | - | 605,809 |
| Use of Money and Property | - | - | 233 | 422,943 |
| Intergovernmental | - | - | 94,079 | 29,920,932 |
| Charges for Services | - | - | - | 17,445,096 |
| Other Revenues | - | - | - | 1,049,447 |
| Total Revenues | - | - | 94,312 | 53,654,689 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 378,908 | - | - | 2,233,079 |
| Public Protection | - | - | - | 6,587,401 |
| Public Ways and Facilities | - | 56,457 | 102,652 | 12,269,374 |
| Health and Sanitation | - | - | - | 19,089,002 |
| Public Assistance | - | - | - | 2,591,435 |
| Education | - | - | - | 1,047,298 |
| Recreation and Culture | - | - | - | 6,015 |
| Debt Service: | | | | |
| Principal | - | - | - | 1,473,823 |
| Interest | - | - | - | 700,613 |
| Capital Outlay | - | - | - | 9,542,830 |
| Total Expenditures | 378,908 | 56,457 | 102,652 | 55,540,870 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (378,908) | (56,457) | (8,340) | (1,886,181) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 200,000 | 232,048 | 7,521 | 738,871 |
| Transfers out | (17,788) | - | - | (1,861,917) |
| Debt Issued | - | - | - | 90,726 |
| Sale of Capital Assets | - | - | - | 14,276 |
| Total Other Financing Sources (Uses) | 182,212 | 232,048 | 7,521 | (1,018,044) |
| NET CHANGE IN FUND BALANCE | (196,696) | 175,591 | (819) | (2,904,225) |
| Fund Balances - Beginning of Year | 2,478,580 | - | 29,636 | 51,796,988 |
| FUND BALANCES - END OF YEAR | <u>\$ 2,281,884</u> | <u>\$ 175,591</u> | <u>\$ 28,817</u> | <u>\$ 48,892,763</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 746,767 | \$ 746,767 | \$ 738,125 | \$ (8,642) |
| Licenses and Permits | 151,000 | 151,000 | 188,449 | 37,449 |
| Fines and Forfeitures | 300 | 300 | 613 | 313 |
| Use of Money and Property | 25,000 | 25,000 | 53,998 | 28,998 |
| Intergovernmental Revenues | 14,509,069 | 14,799,069 | 7,566,459 | (7,232,610) |
| Charges for Services | 752,801 | 752,801 | 18,307 | (734,494) |
| Other Revenues | 14,510 | 14,510 | 4,484 | (10,026) |
| Total Revenues | 16,199,447 | 16,489,447 | 8,570,435 | (7,919,012) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 6,559,092 | 6,617,634 | 4,891,456 | 1,726,178 |
| Capital Outlay | 11,223,417 | 11,513,417 | 5,435,443 | 6,077,974 |
| Total Expenditures | 17,782,509 | 18,131,051 | 10,326,899 | 7,804,152 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,583,062) | (1,641,604) | (1,756,464) | (114,860) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 48,944 | 48,944 | 15,871 | (33,073) |
| Total Other Financing Sources (Uses) | 48,944 | 48,944 | 15,871 | (33,073) |
| NET CHANGE IN FUND BALANCE | (1,534,118) | (1,592,660) | (1,740,593) | (147,933) |
| Fund Balance - Beginning of Year | 7,188,398 | 7,188,398 | 7,188,398 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 5,654,280</u> | <u>\$ 5,595,738</u> | <u>\$ 5,447,805</u> | <u>\$ (147,933)</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT QUIMBY
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|-------------------------|---------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 800 | \$ 800 | \$ 1,210 | \$ 410 |
| Charges for Services | 13,572 | 13,572 | 27,144 | 13,572 |
| Total Revenues | 14,372 | 14,372 | 28,354 | 13,982 |
| EXPENDITURES | | | | |
| Capital Outlay | 112,723 | 112,723 | 2,949 | 109,774 |
| NET CHANGE IN FUND BALANCE | (98,351) | (98,351) | 25,405 | 123,756 |
| Fund Balance - Beginning of Year | 98,653 | 98,653 | 98,653 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 302</u> | <u>\$ 302</u> | <u>\$ 124,058</u> | <u>\$ 123,756</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 5,000 | \$ 5,000 | \$ 2,500 | \$ (2,500) |
| Licenses and Permits | 489,000 | 645,000 | 757,558 | 112,558 |
| Fines and Forfeitures | - | - | 2,592 | 2,592 |
| Use of Money and Property | 1,109 | 1,109 | 6,164 | 5,055 |
| Charges for Services | 281,500 | 407,500 | 627,986 | 220,486 |
| Other Revenues | 6,000 | 6,000 | 6,066 | 66 |
| Total Revenues | 782,609 | 1,064,609 | 1,402,866 | 338,257 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 1,236,667 | 1,509,428 | 952,248 | 557,180 |
| Capital Outlay | 157,200 | 163,700 | - | 163,700 |
| Total Expenditures | 1,393,867 | 1,673,128 | 952,248 | 720,880 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (611,258) | (608,519) | 450,618 | 1,059,137 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 100,000 | 100,000 | - | 100,000 |
| NET CHANGE IN FUND BALANCE | (511,258) | (508,519) | 450,618 | 959,137 |
| Fund Balance - Beginning of Year | 692,769 | 692,769 | 692,769 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 181,511</u> | <u>\$ 184,250</u> | <u>\$ 1,143,387</u> | <u>\$ 959,137</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GEOTHERMAL RESOURCE ROYALTIES
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 5,000 | \$ 5,000 | \$ 9,060 | \$ 4,060 |
| Intergovernmental Revenues | 1,120,000 | 1,120,000 | 1,171,061 | 51,061 |
| Other Revenues | 4,132 | 4,132 | 4,506 | 374 |
| Total Revenues | 1,129,132 | 1,129,132 | 1,184,627 | 55,495 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 802,585 | 804,074 | 521,213 | 282,861 |
| Capital Outlay | 417,058 | 415,569 | 6,240 | 409,329 |
| Total Expenditures | 1,219,643 | 1,219,643 | 527,453 | 692,190 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (90,511) | (90,511) | 657,174 | 747,685 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (934,566) | (934,566) | (934,566) | - |
| NET CHANGE IN FUND BALANCE | (1,025,077) | (1,025,077) | (277,392) | 747,685 |
| Fund Balance - Beginning of Year | 1,045,109 | 1,045,109 | 1,045,109 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 20,032</u> | <u>\$ 20,032</u> | <u>\$ 767,717</u> | <u>\$ 747,685</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
FISH AND GAME
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 60,011 | \$ 60,011 | \$ 63,185 | \$ 3,174 |
| Fines and Forfeitures | 3,000 | 3,000 | 14,930 | 11,930 |
| Use of Money and Property | 200 | 200 | 410 | 210 |
| Intergovernmental Revenues | 850 | 850 | 3,980 | 3,130 |
| Total Revenues | 64,061 | 64,061 | 82,505 | 18,444 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 118,876 | 118,876 | 99,876 | 19,000 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (54,815) | (54,815) | (17,371) | 37,444 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 36,513 | 36,513 | 36,513 | - |
| NET CHANGE IN FUND BALANCE | (18,302) | (18,302) | 19,142 | 37,444 |
| Fund Balance - Beginning of Year | 29,433 | 29,433 | 29,433 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 11,131</u> | <u>\$ 11,131</u> | <u>\$ 48,575</u> | <u>\$ 37,444</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL AVIATION
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|---------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 15 | \$ 15 | \$ 278 | \$ 263 |
| Use of Money and Property | 40,050 | 40,050 | 39,996 | (54) |
| Intergovernmental Revenues | 10,000 | 10,000 | 10,000 | - |
| Other Revenues | 95 | 95 | 16 | (79) |
| Total Revenues | 50,160 | 50,160 | 50,290 | 130 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 99,087 | 99,087 | 77,179 | 21,908 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (48,927) | (48,927) | (26,889) | 22,038 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 11,817 | 11,817 | 11,817 | - |
| Transfers out | (7,521) | (7,521) | (7,521) | - |
| Total Other Financing Sources (Uses) | 4,296 | 4,296 | 4,296 | - |
| NET CHANGE IN FUND BALANCE | (44,631) | (44,631) | (22,593) | 22,038 |
| Fund Balance - Beginning of Year | 44,630 | 44,630 | 44,630 | - |
| FUND BALANCE - END OF YEAR | <u>\$ (1)</u> | <u>\$ (1)</u> | <u>\$ 22,037</u> | <u>\$ 22,038</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS ADMINISTRATION
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 2,100 | \$ 2,100 | \$ 3,337 | \$ 1,237 |
| Intergovernmental Revenues | 150,000 | 150,000 | 153,504 | 3,504 |
| Charges for Services | 4,578,987 | 4,578,987 | 3,941,726 | (637,261) |
| Other Revenues | - | - | 2,217 | 2,217 |
| Total Revenues | 4,731,087 | 4,731,087 | 4,100,784 | (630,303) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 4,778,778 | 4,778,778 | 4,044,314 | 734,464 |
| Capital Outlay | - | 28,000 | 27,700 | 300 |
| Total Expenditures | 4,778,778 | 4,806,778 | 4,072,014 | 734,764 |
| NET CHANGE IN FUND BALANCE | (47,691) | (75,691) | 28,770 | 104,461 |
| Fund Balance - Beginning of Year | 186,107 | 186,107 | 186,107 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 138,416</u> | <u>\$ 110,416</u> | <u>\$ 214,877</u> | <u>\$ 104,461</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SHERIFF PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|-------------------|-------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and Forfeitures | \$ 140,500 | \$ 140,500 | \$ 197,146 | \$ 56,646 |
| Use of Money and Property | 6,400 | 6,400 | 20,443 | 14,043 |
| Intergovernmental Revenues | 707,636 | 723,616 | 766,533 | 42,917 |
| Charges for Services | 47,500 | 47,500 | 33,859 | (13,641) |
| Other Revenues | 1,500 | 1,500 | 114,642 | 113,142 |
| Total Revenues | 903,536 | 919,516 | 1,132,623 | 213,107 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 2,611,318 | 2,637,298 | 699,739 | 1,937,559 |
| Capital Outlay | 398,500 | 428,500 | 87,275 | 341,225 |
| Total Expenditures | 3,009,818 | 3,065,798 | 787,014 | 2,278,784 |
| NET CHANGE IN FUND BALANCE | (2,106,282) | (2,146,282) | 345,609 | 2,491,891 |
| Fund Balance - Beginning of Year | 2,472,497 | 2,472,497 | 2,472,497 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 366,215</u> | <u>\$ 326,215</u> | <u>\$ 2,818,106</u> | <u>\$ 2,491,891</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DISTRICT ATTORNEY PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and Forfeitures | \$ 8,545 | \$ 8,545 | \$ 66,186 | \$ 57,641 |
| Use of Money and Property | 300 | 300 | 1,479 | 1,179 |
| Intergovernmental Revenues | - | - | 812 | 812 |
| Charges for Services | 6,000 | 6,000 | 6,578 | 578 |
| Total Revenues | 14,845 | 14,845 | 75,055 | 60,210 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 115,371 | 115,371 | 35,270 | 80,101 |
| NET CHANGE IN FUND BALANCE | (100,526) | (100,526) | 39,785 | 140,311 |
| Fund Balance - Beginning of Year | 164,039 | 164,039 | 164,039 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 63,513</u> | <u>\$ 63,513</u> | <u>\$ 203,824</u> | <u>\$ 140,311</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
ANIMAL MEDICAL CLINIC
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits | \$ 9,000 | \$ 9,000 | \$ 9,555 | \$ 555 |
| Charges for Services | 81,770 | 81,770 | 80,290 | (1,480) |
| Other Revenues | 5,000 | 5,000 | 11,111 | 6,111 |
| Total Revenues | 95,770 | 95,770 | 100,956 | 5,186 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 180,278 | 180,278 | 170,700 | 9,578 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (84,508) | (84,508) | (69,744) | 14,764 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 69,000 | 69,000 | 69,000 | - |
| NET CHANGE IN FUND BALANCE | (15,508) | (15,508) | (744) | 14,764 |
| Fund Balance - Beginning of Year | 15,509 | 15,509 | 15,509 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 14,765</u> | <u>\$ 14,764</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
MIDDLETON SEWER
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and Forfeitures | \$ - | \$ - | \$ 1,802 | \$ 1,802 |
| Use of Money and Property | 2,994 | 2,994 | 6,010 | 3,016 |
| Intergovernmental Revenues | - | 402,160 | 20,402 | (381,758) |
| Charges for Services | 1,322 | 1,322 | 397,234 | 395,912 |
| Other Revenues | 187,845 | 187,845 | 144 | (187,701) |
| Total Revenues | 192,161 | 594,321 | 425,592 | (168,729) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and Sanitation | 231,927 | 243,215 | 300,527 | (57,312) |
| Capital Outlay | 15,884 | 429,044 | 9,555 | 419,489 |
| Total Expenditures | 247,811 | 672,259 | 310,082 | 362,177 |
| NET CHANGE IN FUND BALANCE | (55,650) | (77,938) | 115,510 | 193,448 |
| Fund Balance - Beginning of Year | 705,504 | 705,504 | 705,504 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 649,854</u> | <u>\$ 627,566</u> | <u>\$ 821,014</u> | <u>\$ 193,448</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
IHSS PUBLIC AUTHORITY
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental Revenues | \$ 415,777 | \$ 415,777 | \$ 344,291 | \$ (71,486) |
| Charges for Services | 25,000 | 25,000 | 24,123 | (877) |
| Total Revenues | 440,777 | 440,777 | 368,414 | (72,363) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Assistance | 415,777 | 415,777 | 344,291 | 71,486 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 25,000 | 25,000 | 24,123 | (877) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (25,000) | (25,000) | (24,123) | 877 |
| NET CHANGE IN FUND BALANCE | - | - | - | - |
| Fund Balance - Beginning of Year | 234 | 234 | 234 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 234</u> | <u>\$ 234</u> | <u>\$ 234</u> | <u>\$ -</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
RECORDER PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 5,600 | \$ 5,600 | \$ 13,220 | \$ 7,620 |
| Charges for Services | 102,500 | 102,500 | 149,158 | 46,658 |
| Total Revenues | 108,100 | 108,100 | 162,378 | 54,278 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 435,965 | 435,965 | 109,585 | 326,380 |
| Capital Outlay | 15,000 | 15,000 | - | |
| Total Expenditures | 450,965 | 450,965 | 109,585 | 326,380 |
| NET CHANGE IN FUND BALANCE | (342,865) | (342,865) | 52,793 | 395,658 |
| Fund Balance - Beginning of Year | 1,677,068 | 1,677,068 | 1,677,068 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 1,334,203</u> | <u>\$ 1,334,203</u> | <u>\$ 1,729,861</u> | <u>\$ 395,658</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
AIR QUALITY DISTRICT
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits | \$ 523,012 | \$ 523,012 | \$ 479,444 | \$ (43,568) |
| Fines and Forfeitures | 80,050 | 80,050 | 11,007 | (69,043) |
| Use of Money and Property | 3,500 | 3,500 | 5,144 | 1,644 |
| Intergovernmental Revenues | 587,610 | 587,610 | 318,238 | (269,372) |
| Charges for Services | 3,300 | 3,300 | 2,042 | (1,258) |
| Other Revenues | 4,000 | 4,000 | 8,938 | 4,938 |
| Total Revenues | 1,201,472 | 1,201,472 | 824,813 | (376,659) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 1,256,467 | 1,478,901 | 616,908 | 861,993 |
| Capital Outlay | 170,262 | 195,262 | 94,398 | 100,864 |
| Total Expenditures | 1,426,729 | 1,674,163 | 711,306 | 962,857 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (225,257) | (472,691) | 113,507 | 586,198 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 1,510 | 1,510 |
| NET CHANGE IN FUND BALANCE | (225,257) | (472,691) | 115,017 | 587,708 |
| Fund Balance - Beginning of Year | 545,715 | 545,715 | 545,715 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 320,458</u> | <u>\$ 73,024</u> | <u>\$ 660,732</u> | <u>\$ 587,708</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CDBG PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 300 | \$ 300 | \$ 1,884 | \$ 1,584 |
| Other Revenues | (300) | (300) | 32,635 | 32,935 |
| Total Revenues | - | - | 34,519 | 34,519 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Assistance | - | - | 226,682 | (226,682) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | (192,163) | (192,163) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (232,048) | (232,048) | (232,048) | - |
| NET CHANGE IN FUND BALANCE | (232,048) | (232,048) | (424,211) | (192,163) |
| Fund Balance - Beginning of Year | 887,111 | 887,111 | 887,111 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 655,063</u> | <u>\$ 655,063</u> | <u>\$ 462,900</u> | <u>\$ (192,163)</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CHILD SUPPORT SERVICES
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ - | \$ - | \$ 2,058 | \$ 2,058 |
| Intergovernmental Revenues | 2,659,567 | 2,659,567 | 2,289,395 | (370,172) |
| Other Revenues | - | - | 2,360 | 2,360 |
| Total Revenues | 2,659,567 | 2,659,567 | 2,293,813 | (365,754) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 2,649,515 | 2,643,135 | 2,199,644 | 443,491 |
| Capital Outlay | - | 6,380 | 6,380 | - |
| Total Expenditures | 2,649,515 | 2,649,515 | 2,206,024 | 443,491 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 10,052 | 10,052 | 87,789 | (809,245) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 101 | 101 |
| NET CHANGE IN FUND BALANCE | 10,052 | 10,052 | 87,890 | 77,838 |
| Fund Balance - Beginning of Year | (10,001) | (10,001) | (10,001) | - |
| FUND BALANCE - END OF YEAR | <u>\$ 51</u> | <u>\$ 51</u> | <u>\$ 77,889</u> | <u>\$ 77,838</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
MUSEUM
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|------------------|---------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 121 | \$ 121 | \$ 120 | \$ (1) |
| Other Revenues | \$ 4,600 | \$ 4,600 | 6,090 | 1,490 |
| Total Revenues | <u>4,721</u> | <u>4,721</u> | <u>6,210</u> | <u>1,489</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Recreation and Culture | <u>19,040</u> | <u>19,040</u> | <u>6,015</u> | <u>13,025</u> |
| NET CHANGE IN FUND BALANCE | (14,319) | (14,319) | 195 | 14,514 |
| Fund Balance - Beginning of Year | <u>14,319</u> | <u>14,319</u> | <u>14,319</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,514</u> | <u>\$ 14,514</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LIBRARY
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 740,912 | \$ 740,912 | \$ 767,121 | \$ 26,209 |
| Fines and Forfeitures | 11 | 11 | 30 | 19 |
| Use of Money and Property | 9,400 | 9,400 | 12,990 | 3,590 |
| Intergovernmental Revenues | 74,155 | 74,155 | 81,762 | 7,607 |
| Charges for Services | 28,000 | 21,500 | 20,668 | (832) |
| Other Revenues | 26,912 | 48,912 | 44,396 | (4,516) |
| Total Revenues | 879,390 | 894,890 | 926,967 | 32,077 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | 1,087,505 | 1,193,005 | 1,047,298 | 145,707 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (208,115) | (298,115) | (120,331) | 177,784 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 14,989 | 104,989 | 104,989 | - |
| NET CHANGE IN FUND BALANCE | (193,126) | (193,126) | (15,342) | 177,784 |
| Fund Balance - Beginning of Year | 324,915 | 324,915 | 324,915 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 131,789</u> | <u>\$ 131,789</u> | <u>\$ 309,573</u> | <u>\$ 177,784</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LAKEBED MANAGEMENT
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Licenses and Permits | \$ 18,040 | \$ 18,040 | \$ 26,218 | \$ 8,178 |
| Use of Money and Property | 750 | 750 | 2,276 | 1,526 |
| Intergovernmental | 618,595 | 118,647 | - | (118,647) |
| Other Revenues | 247,361 | 160,000 | 158,960 | (1,040) |
| Total Revenues | 884,746 | 297,437 | 187,454 | (109,983) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 790,106 | 279,762 | 176,099 | 103,663 |
| Capital Outlay | 32,716 | - | - | - |
| Total Expenditures | 822,822 | 279,762 | 176,099 | 103,663 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 61,924 | 17,675 | 11,355 | (6,320) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 161,000 | 193,763 | - | 193,763 |
| Transfers out | (161,000) | (161,000) | - | (161,000) |
| Total Other Financing Sources (Uses) | - | 32,763 | - | 32,763 |
| NET CHANGE IN FUND BALANCE | 61,924 | 50,438 | 11,355 | (39,083) |
| Fund Balance - Beginning of Year | 155,003 | 155,003 | 155,003 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 216,927</u> | <u>\$ 205,441</u> | <u>\$ 166,358</u> | <u>\$ (39,083)</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
KELSEYVILLE WATERWORKS DISTRICT
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 99,830 | \$ 99,830 | \$ 104,332 | \$ 4,502 |
| Fines and Forfeitures | 100 | 100 | 2,277 | 2,177 |
| Use of Money and Property | 3,100 | 3,100 | 6,045 | 2,945 |
| Intergovernmental Revenues | 1,250 | 1,250 | 6,178 | 4,928 |
| Charges for Services | 7,500 | 7,500 | 807,886 | 800,386 |
| Other Revenues | 816,106 | 816,106 | 47 | (816,059) |
| Total Revenues | 927,886 | 927,886 | 926,765 | (1,121) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 1,142,442 | 1,086,942 | 848,481 | 238,461 |
| Capital Outlay | 25,000 | 83,500 | 45,880 | 37,620 |
| Total Expenditures | 1,167,442 | 1,170,442 | 894,361 | 276,081 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (239,556) | (242,556) | 32,404 | 274,960 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 9,326 | (9,326) |
| NET CHANGE IN FUND BALANCE | (239,556) | (242,556) | 41,730 | 265,634 |
| Fund Balance - Beginning of Year | 720,364 | 720,364 | 720,364 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 480,808</u> | <u>\$ 477,808</u> | <u>\$ 762,094</u> | <u>\$ 284,286</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
BEHAVIORAL HEALTH PROGRAMS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and Forfeitures | \$ 15,585 | \$ 15,585 | \$ 18,888 | \$ 3,303 |
| Use of Money and Property | 14,565 | 14,565 | 55,188 | 40,623 |
| Intergovernmental | 14,721,239 | 14,721,239 | 13,435,290 | (1,285,949) |
| Charges for Services | 232,267 | 232,267 | 259,664 | 27,397 |
| Other Revenues | 70,742 | (229,258) | 45,870 | 275,128 |
| Total Revenues | 15,054,398 | 14,754,398 | 13,814,900 | (939,498) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and Sanitation | 15,776,873 | 15,862,574 | 12,360,251 | 3,502,323 |
| Capital Outlay | 423,000 | 423,000 | 153,273 | 269,727 |
| Total Expenditures | 16,199,873 | 16,285,574 | 12,513,524 | 3,772,050 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,145,475) | (1,531,176) | 1,301,376 | 2,832,552 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 61,112 | 61,112 | 61,112 | - |
| Sale of Capital Assets | - | - | 978 | (978) |
| Total Other Financing Sources (Uses) | 61,112 | 61,112 | 62,090 | (978) |
| NET CHANGE IN FUND BALANCE | (1,084,363) | (1,470,064) | 1,363,466 | 2,833,530 |
| Fund Balance - Beginning of Year | 5,965,885 | 5,965,885 | 5,965,885 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 4,881,522</u> | <u>\$ 4,495,821</u> | <u>\$ 7,329,351</u> | <u>\$ 2,833,530</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LAKE COUNTY HOUSING COMMISSION
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 1,882 | \$ 1,882 | \$ 2,254 | \$ 372 |
| Intergovernmental Revenues | 489,284 | 489,284 | 1,800,395 | 1,311,111 |
| Charges for Services | - | - | 240,223 | 240,223 |
| Other Revenues | 15,453 | 15,453 | 9,383 | (6,070) |
| Total Revenues | 506,619 | 506,619 | 2,052,255 | 1,545,636 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Assistance | 1,278,347 | 1,304,404 | 2,020,462 | (716,058) |
| Total Expenditures | 1,278,347 | 1,304,404 | 2,020,462 | (716,058) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (771,728) | (797,785) | 31,793 | 829,578 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 230,654 | 230,654 | - | 230,654 |
| NET CHANGE IN FUND BALANCE | (541,074) | (567,131) | 31,793 | 598,924 |
| Fund Balance - Beginning of Year | 1,152,647 | 1,152,647 | 1,152,647 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 611,573</u> | <u>\$ 585,516</u> | <u>\$ 1,184,440</u> | <u>\$ 598,924</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
WATERSHED PROTECTION DISTRICTS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 584,691 | \$ 584,691 | \$ 592,350 | \$ 7,659 |
| Licenses and Permits | 47,200 | 47,200 | 93,454 | 46,254 |
| Fines and Forfeitures | 5,805 | 5,805 | 2,675 | (3,130) |
| Use of Money and Property | 15,270 | 15,270 | 25,194 | 9,924 |
| Intergovernmental Revenues | 576,164 | 1,187,243 | 176,871 | (1,010,372) |
| Charges for Services | 791,541 | 791,541 | 572,377 | (219,164) |
| Other Revenues | (75,361) | 12,000 | 171,425 | 159,425 |
| Total Revenues | 1,945,310 | 2,643,750 | 1,634,346 | (1,009,404) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 301,810 | 301,810 | 244,278 | 57,532 |
| Public Protection | 2,443,474 | 3,198,883 | 1,804,780 | 1,394,103 |
| Capital Outlay | 325,000 | 427,268 | 398,283 | 28,985 |
| Total Expenditures | 3,070,284 | 3,927,961 | 2,447,341 | 1,480,620 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,124,974) | (1,284,211) | (812,995) | 471,216 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 13,226 | 13,226 | - | (13,226) |
| Transfers out | (13,226) | (45,989) | - | 45,989 |
| Total Other Financing Sources (Uses) | - | (32,763) | - | 32,763 |
| NET CHANGE IN FUND BALANCE | (1,124,974) | (1,316,974) | (812,995) | 503,979 |
| Fund Balance - Beginning of Year | 2,555,151 | 2,555,151 | 2,555,151 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 1,430,177</u> | <u>\$ 1,238,177</u> | <u>\$ 1,742,156</u> | <u>\$ 503,979</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
COUNTY SERVICE AREAS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 237,447 | \$ 237,447 | \$ 249,660 | \$ 12,213 |
| Fines and Forfeitures | 2,577 | 2,577 | 9,784 | 7,207 |
| Use of Money and Property | 12,007 | 12,007 | 47,780 | 35,773 |
| Intergovernmental Revenues | 2,213,393 | 2,213,393 | 787,859 | (1,425,534) |
| Charges for Services | 223,519 | 223,519 | 2,022,203 | 1,798,684 |
| Other Revenues | 2,519,784 | 2,519,784 | 421,004 | (2,098,780) |
| Total Revenues | 5,208,727 | 5,208,727 | 3,538,290 | (1,670,437) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 2,708,695 | 2,693,695 | 1,551,718 | 1,141,977 |
| Capital Outlay | 5,397,275 | 5,412,275 | 2,106,946 | 3,305,329 |
| Total Expenditures | 8,105,970 | 8,105,970 | 3,658,664 | 4,447,306 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (2,897,243) | (2,897,243) | (120,374) | 2,776,869 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (47,344) | (47,344) | (15,166) | 32,178 |
| NET CHANGE IN FUND BALANCE | (2,944,587) | (2,944,587) | (135,540) | 2,809,047 |
| Fund Balance - Beginning of Year | 5,435,485 | 5,435,485 | 5,435,485 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 2,490,898</u> | <u>\$ 2,490,898</u> | <u>\$ 5,299,945</u> | <u>\$ 2,809,047</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LIGHTING DISTRICTS
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|-------------------------|-------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes and Assessments | \$ 77,464 | \$ 77,464 | \$ 83,838 | \$ 6,374 |
| Fines and Forfeitures | 48 | 48 | 55 | 7 |
| Use of Money and Property | 789 | 789 | 3,589 | 2,800 |
| Intergovernmental Revenues | 1,238 | 1,238 | 5,966 | 4,728 |
| Charges for Services | 1,900 | 1,900 | 2,544 | 644 |
| Total Revenues | <u>81,439</u> | <u>81,439</u> | <u>95,992</u> | <u>14,553</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | <u>89,972</u> | <u>89,972</u> | <u>80,209</u> | <u>9,763</u> |
| NET CHANGE IN FUND BALANCE | (8,533) | (8,533) | 15,783 | 24,316 |
| Fund Balance - Beginning of Year | <u>440,703</u> | <u>440,703</u> | <u>440,703</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 432,170</u> | <u>\$ 432,170</u> | <u>\$ 456,486</u> | <u>\$ 24,316</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SHERIFF MOTOR POOL
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Charges for services | \$ 200,000 | \$ 200,000 | \$ 222,342 | \$ 22,342 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 350,000 | 350,000 | - | 350,000 |
| Capital Outlay | 217,375 | 217,375 | 173,158 | 44,217 |
| Total Expenditures | <u>567,375</u> | <u>567,375</u> | <u>173,158</u> | <u>394,217</u> |
| NET CHANGE IN FUND BALANCE | (367,375) | (367,375) | 49,184 | 416,559 |
| Fund Balance - Beginning of Year | <u>1,802,261</u> | <u>1,802,261</u> | <u>1,802,261</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 1,434,886</u> | <u>\$ 1,434,886</u> | <u>\$ 1,851,445</u> | <u>\$ 416,559</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SANITATION DISTRICTS
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Fines and Forfeitures | \$ 82,170 | \$ 82,170 | \$ 240,839 | \$ 158,669 |
| Use of Money and Property | 10,025 | 10,025 | 32,371 | 22,346 |
| Charges for Services | 6,008,284 | 6,008,284 | 6,000,742 | (7,542) |
| Other Revenues | 234,580 | 234,580 | 5,153 | (229,427) |
| Total Revenues | 6,335,059 | 6,335,059 | 6,279,105 | (55,954) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and Sanitation | 6,476,935 | 6,476,935 | 6,045,777 | 431,158 |
| Capital Outlay | 1,064,603 | 1,008,761 | 995,350 | 13,411 |
| Total Expenditures | 7,541,538 | 7,485,696 | 7,041,127 | 444,569 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,206,479) | (1,150,637) | (762,022) | 388,615 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 2,361 | 2,361 |
| NET CHANGE IN FUND BALANCE | (1,206,479) | (1,150,637) | (759,661) | 390,976 |
| Fund Balance - Beginning of Year | 4,616,261 | 4,616,261 | 4,616,261 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 3,409,782</u> | <u>\$ 3,465,624</u> | <u>\$ 3,856,600</u> | <u>\$ 390,976</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY FACILITIES – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | \$ 1,363,672 | \$ 1,363,672 | \$ 91,175 | \$ 1,272,497 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(2,130,000)</u> | <u>(2,130,000)</u> | <u>(630,000)</u> | <u>(1,500,000)</u> |
| NET CHANGE IN FUND BALANCE | (3,493,672) | (3,493,672) | (721,175) | (227,503) |
| Fund Balance - Beginning of Year | <u>1,993,672</u> | <u>1,993,672</u> | <u>1,993,672</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ (1,500,000)</u> | <u>\$ (1,500,000)</u> | <u>\$ 1,272,497</u> | <u>\$ 2,772,497</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL PROJECTS – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenues | \$ 994,616 | \$ 994,616 | \$ - | \$ (994,616) |
| Other Revenues | - | - | - | - |
| Total Revenues | 994,616 | 994,616 | - | (994,616) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 3,655,408 | 3,655,408 | 378,908 | 3,276,500 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (2,660,792) | (2,660,792) | (378,908) | 2,281,884 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 200,000 | 200,000 | 200,000 | - |
| Transfers out | (17,788) | (17,788) | (17,788) | - |
| Total Other Financing Sources (Uses) | 182,212 | 182,212 | 182,212 | - |
| NET CHANGE IN FUND BALANCE | (2,478,580) | (2,478,580) | (196,696) | 2,281,884 |
| Fund Balance - Beginning of Year | 2,478,580 | 2,478,580 | 2,478,580 | - |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,281,884</u> | <u>\$ 2,281,884</u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CDBG – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|--------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental Revenues | \$ 1,458,633 | \$ 1,458,633 | \$ - | \$ (1,458,633) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | <u>1,690,681</u> | <u>1,690,681</u> | <u>56,457</u> | <u>1,634,224</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (232,048) | (232,048) | (56,457) | 175,591 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>232,048</u> | <u>232,048</u> | <u>232,048</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | - | - | 175,591 | 175,591 |
| Fund Balance - Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 175,591</u></u> | <u><u>\$ 175,591</u></u> |

**COUNTY OF LAKE, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LAMPSON AIRPORT – CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Use of Money and Property | \$ 195 | \$ 195 | \$ 233 | \$ 38 |
| Intergovernmental Revenues | 137,877 | 137,877 | 94,079 | (43,798) |
| Total Revenues | 138,072 | 138,072 | 94,312 | (43,760) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Ways and Facilities | 141,743 | 141,743 | 102,652 | 39,091 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,671) | (3,671) | (8,340) | (4,669) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 7,521 | 7,521 | 7,521 | - |
| NET CHANGE IN FUND BALANCE | 3,850 | 3,850 | (819) | (4,669) |
| Fund Balance - Beginning of Year | 29,636 | 29,636 | 29,636 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 33,486</u> | <u>\$ 33,486</u> | <u>\$ 28,817</u> | <u>\$ (4,669)</u> |

INTERNAL SERVICE FUNDS

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**COUNTY OF LAKE, CALIFORNIA
INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal service funds used at the County are listed below:

- **UNEMPLOYMENT INSURANCE**
to account for the operations of the County unemployment self-insurance program.
- **PUBLIC LIABILITY INSURANCE**
to account for the operations of the County liability insurance program.
- **WORKERS' COMPENSATION INSURANCE**
to account for the operation of the County workers' compensation insurance program.
- **EMPLOYEE HEALTH AND WELLNESS**
to account for the operations of the County self-funded health and wellness programs.
- **HEAVY EQUIPMENT RENTAL**
to account for the cost of heavy equipment maintenance and operations usage and to accumulate funds for the future replacement of heavy equipment.
- **FLEET MAINTENANCE**
to account for the cost of general services fleet operations and maintenance.
- **CENTRAL GARAGE**
to account for the cost of fleet repairs.

COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2017

| | Risk Management | | | |
|----------------------------------|---------------------------|----------------------------------|---------------------------------------|-----------------------------|
| | Unemployment Insurance | Public Liability Insurance | Workers' Compensation Insurance | Employee Health/Wellness |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Investments | \$ 304,958 | \$ 1,795,719 | \$ 535,032 | \$ 53,579 |
| Inventory | - | - | - | - |
| Total Current Assets | 304,958 | 1,795,719 | 535,032 | 53,579 |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Nondepreciable | - | - | - | - |
| Depreciable, Net | - | - | - | - |
| Total Noncurrent Assets | - | - | - | - |
| Total Assets | 304,958 | 1,795,719 | 535,032 | 53,579 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | - | 17,652 | 166 | - |
| Salaries and Benefits Payable | - | - | - | - |
| Compensated Absences Payable | - | - | - | - |
| Total Current Liabilities | - | 17,652 | 166 | - |
| Noncurrent Liabilities: | | | | |
| Loans Payable | - | 750,000 | - | - |
| Compensated Absences Payable | - | - | - | - |
| Net OPEB Obligation | - | - | - | - |
| Estimated Claims Liability | 103,491 | 310,000 | - | - |
| Total Noncurrent Liabilities | 103,491 | 1,060,000 | - | - |
| Total Liabilities | 103,491 | 1,077,652 | 166 | - |
| NET POSITION | | | | |
| Net Investment in Capital Assets | - | - | - | - |
| Unrestricted | 201,467 | 718,067 | 534,866 | 53,579 |
| Total Net Position | \$ 201,467 | \$ 718,067 | \$ 534,866 | \$ 53,579 |

COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUND
JUNE 30, 2017

| | Heavy Equipment Rental | Fleet Maintenance | Central Garage | Totals |
|----------------------------------|------------------------------|----------------------|---------------------|---------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Investments | \$ 732,530 | \$ 85,862 | \$ 687,284 | \$ 4,194,964 |
| Inventory | 23,651 | - | 360 | 24,011 |
| Total Current Assets | <u>756,181</u> | <u>85,862</u> | <u>687,644</u> | <u>4,218,975</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Nondepreciable | - | - | 48,233 | 48,233 |
| Depreciable, Net | 625,687 | - | 426,905 | 1,052,592 |
| Total Noncurrent Assets | <u>625,687</u> | <u>-</u> | <u>475,138</u> | <u>1,100,825</u> |
| Total Assets | 1,381,868 | 85,862 | 1,162,782 | 5,319,800 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 5,347 | - | 8,622 | 31,787 |
| Salaries and Benefits Payable | - | 36,856 | - | 36,856 |
| Compensated Absences Payable | - | 2,097 | - | 2,097 |
| Total Current Liabilities | <u>5,347</u> | <u>38,953</u> | <u>8,622</u> | <u>70,740</u> |
| Noncurrent Liabilities: | | | | |
| Loans Payable | - | - | - | 750,000 |
| Compensated Absences Payable | - | 22,356 | - | 22,356 |
| Net OPEB Obligation | - | 35,806 | - | 35,806 |
| Estimated Claims Liability | - | - | - | 413,491 |
| Total Noncurrent Liabilities | <u>-</u> | <u>58,162</u> | <u>-</u> | <u>1,221,653</u> |
| Total Liabilities | <u>5,347</u> | <u>97,115</u> | <u>8,622</u> | <u>1,292,393</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 625,687 | - | 475,138 | 1,100,825 |
| Unrestricted | <u>750,834</u> | <u>(11,253)</u> | <u>679,022</u> | <u>2,926,582</u> |
| Total Net Position | <u>\$ 1,376,521</u> | <u>\$ (11,253)</u> | <u>\$ 1,154,160</u> | <u>\$ 4,027,407</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2017**

| | Risk Management | | | |
|---|---------------------------|----------------------------------|---------------------------------------|-----------------------------|
| | Unemployment Insurance | Public Liability Insurance | Workers' Compensation Insurance | Employee Health/Wellness |
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 132,336 | \$ 1,686,128 | \$ 3,571,479 | \$ - |
| Rents and Concessions | - | - | - | - |
| Other Revenue | - | - | - | - |
| Total Operating Revenues | 132,336 | 1,686,128 | 3,571,479 | - |
| OPERATING EXPENSES | | | | |
| Salaries and Benefits | - | - | - | - |
| Services and Supplies | 3,458 | 171,598 | 74,744 | 35,579 |
| Maintenance | - | - | - | - |
| Claims/Liability Adjustments | 180,367 | 993,893 | 3,336,722 | - |
| Depreciation | - | - | - | - |
| Total Operating Expenses | 183,825 | 1,165,491 | 3,411,466 | 35,579 |
| OPERATING INCOME (LOSS) | (51,489) | 520,637 | 160,013 | (35,579) |
| NONOPERATING REVENUES AND EXPENSES | | | | |
| Interest Income | 4,464 | 12,649 | 3,249 | 616 |
| Transfers In (Out) | (200,000) | - | 200,000 | - |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Total Nonoperating Revenues and Expenses | (195,536) | 12,649 | 203,249 | 616 |
| CHANGE IN NET POSITION | (247,025) | 533,286 | 363,262 | (34,963) |
| Net Position - Beginning of Year | 448,492 | 184,781 | 171,604 | 88,542 |
| NET POSITION - END OF YEAR | <u>\$ 201,467</u> | <u>\$ 718,067</u> | <u>\$ 534,866</u> | <u>\$ 53,579</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (CONTINUED)
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2017**

| | Heavy Equipment Rental | Fleet Maintenance | Central Garage | Total |
|---|------------------------------|---------------------------|----------------------------|----------------------------|
| OPERATING REVENUES | | | | |
| Charges for Services | \$ - | \$ 446,373 | \$ 532,162 | \$ 6,368,478 |
| Rents and Concessions | 681,039 | - | - | 681,039 |
| Other Revenue | 12,940 | 21 | 4,731 | 17,692 |
| Total Operating Revenues | <u>693,979</u> | <u>446,394</u> | <u>536,893</u> | <u>7,067,209</u> |
| OPERATING EXPENSES | | | | |
| Salaries and Benefits | - | 399,413 | - | 399,413 |
| Services and Supplies | 494,295 | 59,114 | 243,367 | 1,082,155 |
| Maintenance | 187,982 | - | - | 187,982 |
| Claims/Liability Adjustments | - | - | - | 4,510,982 |
| Depreciation | 257,833 | - | 159,956 | 417,789 |
| Total Operating Expenses | <u>940,110</u> | <u>458,527</u> | <u>403,323</u> | <u>6,598,321</u> |
| OPERATING INCOME (LOSS) | (246,131) | (12,133) | 133,570 | 468,888 |
| NONOPERATING REVENUES AND EXPENSES | | | | |
| Interest Income | 239,523 | - | 5,584 | 266,085 |
| Transfers In (Out) | - | - | - | - |
| Gain (Loss) on Sale of Capital Assets | 4,977 | - | 3,086 | 8,063 |
| Total Nonoperating Revenues and Expenses | <u>244,500</u> | <u>-</u> | <u>8,670</u> | <u>274,148</u> |
| CHANGE IN NET POSITION | (1,631) | (12,133) | 142,240 | 743,036 |
| Net Position - Beginning of Year | <u>1,378,152</u> | <u>880</u> | <u>1,011,920</u> | <u>3,284,371</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 1,376,521</u></u> | <u><u>\$ (11,253)</u></u> | <u><u>\$ 1,154,160</u></u> | <u><u>\$ 4,027,407</u></u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2017**

| | Risk Management | | | |
|---|---------------------------|----------------------------------|---------------------------------------|-----------------------------|
| | Unemployment Insurance | Public Liability Insurance | Workers' Compensation Insurance | Employee Health/Wellness |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Interfund Charges for Service | \$ 132,336 | \$ 1,686,128 | \$ 3,571,479 | \$ - |
| Payments to Suppliers | (221,154) | (1,415,984) | (3,411,300) | (35,579) |
| Payments to Employees | - | - | - | (8,999) |
| Net Cash Provided (Used) by Operating Activities | (88,818) | 270,144 | 160,179 | (44,578) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfer from (to) Other Funds | (200,000) | - | 200,000 | - |
| Debt Issued | - | 750,000 | - | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | (200,000) | 750,000 | 200,000 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchases of Capital Assets | - | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - | - |
| Net Cash Provided (Used) by Capital Related Financing Activities | - | - | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and Dividends | 4,464 | 12,649 | 3,249 | 616 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (284,354) | 1,032,793 | 363,428 | (43,962) |
| Cash and Cash Equivalents - Beginning of Year | 589,312 | 762,926 | 171,604 | 97,541 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 304,958</u> | <u>\$ 1,795,719</u> | <u>\$ 535,032</u> | <u>\$ 53,579</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2017**

| | Heavy Equipment Rental | Fleet Maintenance | Central Garage | Totals |
|---|------------------------------|----------------------|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Interfund Charges for Service | \$ 693,979 | \$ 446,394 | \$ 536,893 | \$ 7,067,209 |
| Payments to Suppliers | (690,063) | (59,338) | (243,160) | (6,076,578) |
| Payments to Employees | - | (394,187) | - | (403,186) |
| Net Cash Provided (Used) by Operating Activities | 3,916 | (7,131) | 293,733 | 587,445 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfer from (to) Other Funds | - | - | - | - |
| Proceeds from Debt | - | - | - | 750,000 |
| Net Cash Provided (Used) by Noncapital Financing Activities | - | - | - | 750,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchases of Capital Assets | (278,509) | - | (268,370) | (546,879) |
| Proceeds from Sale of Capital Assets | 4,977 | - | 24,310 | 29,287 |
| Net Cash Provided (Used) by Capital Related Financing Activities | (273,532) | - | (244,060) | (517,592) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest and Dividends | 239,523 | - | 5,584 | 266,085 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (30,093) | (7,131) | 55,257 | 1,085,938 |
| Cash and Cash Equivalents - Beginning of Year | 762,623 | 92,993 | 632,027 | 3,109,026 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 732,530</u> | <u>\$ 85,862</u> | <u>\$ 687,284</u> | <u>\$ 4,194,964</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2017**

| | Risk Management | | | |
|--|---------------------------|----------------------------------|---------------------------------------|-----------------------------|
| | Unemployment Insurance | Public Liability Insurance | Workers' Compensation Insurance | Employee Health/Wellness |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (51,489) | \$ 520,637 | \$ 160,013 | \$ (35,579) |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Depreciation | - | - | - | - |
| (Increase) Decrease in: | | | | |
| Inventory | - | - | - | - |
| Increase (decrease) in: | | | | |
| Accounts Payable | - | 8,530 | 166 | - |
| Salaries and Benefits Payable | - | - | - | (8,999) |
| Compensated Absences Payable | - | - | - | - |
| OPEB Obligation | - | - | - | - |
| Estimated Claims Liability | (37,329) | (259,023) | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (88,818)</u> | <u>\$ 270,144</u> | <u>\$ 160,179</u> | <u>\$ (44,578)</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2017**

| | Heavy Equipment Rental | Fleet Maintenance | Central Garage | Totals |
|--|------------------------------|----------------------|-------------------|-------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (246,131) | \$ (12,133) | \$ 133,570 | \$ 468,888 |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities: | | | | |
| Depreciation | 257,833 | - | 159,956 | 417,789 |
| (Increase) Decrease in: | | | | |
| Inventory | (9,529) | | - | (9,529) |
| Increase (decrease) in: | | | | |
| Accounts Payable | 1,743 | (224) | 207 | 10,422 |
| Salaries and Benefits Payable | - | 1,348 | - | (7,651) |
| Compensated Absences Payable | - | 740 | - | 740 |
| OPEB Obligation | - | 3,138 | - | 3,138 |
| Estimated Claims Liability | - | - | - | (296,352) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 3,916</u> | <u>\$ (7,131)</u> | <u>\$ 293,733</u> | <u>\$ 587,445</u> |

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TRUST AND AGENCY FUND

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**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
JUNE 30, 2017**

| | Special Districts Governed by Local Boards | School Districts | Total Investment Trust Funds |
|----------------------|---|----------------------|------------------------------------|
| ASSETS | | | |
| Cash and Investments | <u>\$ 17,699,310</u> | <u>\$ 59,146,922</u> | <u>\$ 76,846,232</u> |
| NET POSITION | | | |
| Held in Trust | <u>\$ 17,699,310</u> | <u>\$ 59,146,922</u> | <u>\$ 76,846,232</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
YEAR ENDED JUNE 30, 2017**

| | Special Districts Governed by Local Boards | School Districts | Total Investment Trust Funds |
|-----------------------------------|---|-----------------------------|------------------------------------|
| ADDITIONS | | | |
| Contributions from Participants | \$ 25,329,072 | \$ 155,094,160 | \$ 180,423,232 |
| Interest and Investment Income | 124,067 | 352,502 | 476,569 |
| Total Additions | <u>25,453,139</u> | <u>155,446,662</u> | <u>180,899,801</u> |
| DEDUCTIONS | | | |
| Distributions to Participants | <u>23,534,157</u> | <u>138,779,882</u> | <u>162,314,039</u> |
| CHANGE IN NET POSITION | 1,918,982 | 16,666,780 | 18,585,762 |
| Net Position - Beginning of Year | <u>15,780,328.00</u> | <u>42,480,142.00</u> | <u>58,260,470</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 17,699,310</u></u> | <u><u>\$ 59,146,922</u></u> | <u><u>\$ 76,846,232</u></u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2017**

| | <u>County Departmental</u> | <u>Unapportioned Taxes</u> | <u>Unapportioned Interest</u> | <u>Total</u> |
|----------------------------------|--------------------------------|--------------------------------|-----------------------------------|----------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 9,576,257 | \$ 4,700,808 | \$ 207,086 | \$ 14,484,151 |
| Taxes and Assessments Receivable | - | 8,677,932 | - | 8,677,932 |
| Total Assets | <u>\$ 9,576,257</u> | <u>\$ 13,378,740</u> | <u>\$ 207,086</u> | <u>\$ 23,162,083</u> |
| LIABILITIES | | | | |
| Fiduciary Liabilities | <u>\$ 9,576,257</u> | <u>\$ 13,378,740</u> | <u>\$ 207,086</u> | <u>\$ 23,162,083</u> |

**COUNTY OF LAKE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017**

| | Balance July 1, 2016 | Additions | Deductions | Balance June 30, 2017 |
|--------------------------------------|-------------------------|----------------|----------------|--------------------------|
| <u>County Departmental</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 7,882,699 | \$ 42,079,050 | \$ 40,385,492 | \$ 9,576,257 |
| LIABILITIES | | | | |
| Agency Fund Obligations | \$ 7,882,699 | \$ 42,079,050 | \$ 40,385,492 | \$ 9,576,257 |
| <u>Unapportioned Taxes</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 3,566,888 | \$ 3,619,007 | \$ 2,485,087 | \$ 4,700,808 |
| Taxes Receivable | 9,408,933 | 103,296,906 | 104,027,907 | 8,677,932 |
| Total Assets | \$ 12,975,821 | \$ 106,915,913 | \$ 106,512,994 | \$ 13,378,740 |
| LIABILITIES | | | | |
| Agency Fund Obligations | \$ 12,975,821 | \$ 106,915,913 | \$ 106,512,994 | \$ 13,378,740 |
| <u>Unapportioned Interest</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 89,044 | \$ 118,042 | \$ - | \$ 207,086 |
| LIABILITIES | | | | |
| Agency Fund Obligations | \$ 89,044 | \$ 118,042 | \$ - | \$ 207,086 |
| <u>Total Agency Funds</u> | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 11,769,805 | \$ 45,816,099 | \$ 42,870,579 | \$ 14,484,151 |
| Taxes Receivable | 9,408,933 | 103,296,906 | 104,027,907 | 8,677,932 |
| Total Assets | \$ 21,178,738 | \$ 149,113,005 | \$ 146,898,486 | \$ 23,162,083 |
| LIABILITIES | | | | |
| Agency Fund Obligations | \$ 21,178,738 | \$ 149,113,005 | \$ 146,898,486 | \$ 23,162,083 |

STATISTICAL SECTION

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**COUNTY OF LAKE, CALIFORNIA
STATISTICAL SECTION**

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

**COUNTY OF LAKE, CALIFORNIA
GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 |
| Governmental Activities: | | | | |
| Net Investment in Capital Assets ¹ | \$ 120,244,745 | \$ 123,233,208 | \$ 127,764,406 | \$ 129,759,766 |
| Restricted | 44,988,334 | 37,737,244 | 34,348,436 | 41,329,661 |
| Unrestricted | 26,111,442 | 30,706,166 | 28,232,351 | 29,428,896 |
| Total Governmental Activities Net Position | <u>\$ 191,344,521</u> | <u>\$ 191,676,618</u> | <u>\$ 190,345,193</u> | <u>\$ 200,518,323</u> |
| Business-Type Activities: | | | | |
| Net Investment in Capital Assets | \$ 5,507,681 | \$ 5,224,410 | \$ 5,290,950 | \$ 4,955,759 |
| Restricted | 3,761,534 | 4,377,906 | 4,648,601 | 4,601,544 |
| Unrestricted | (346,376) | (1,586,849) | (2,800,818) | (3,246,244) |
| Total Business-Type Activities Net Position | <u>\$ 8,922,839</u> | <u>\$ 8,015,467</u> | <u>\$ 7,138,733</u> | <u>\$ 6,311,059</u> |
| Primary Government: | | | | |
| Net Investment in Capital Assets | \$ 125,752,426 | \$ 128,457,618 | \$ 133,055,356 | \$ 134,715,525 |
| Restricted | 48,749,868 | 42,115,150 | 38,997,037 | 45,931,205 |
| Unrestricted | 25,765,066 | 29,119,317 | 25,431,533 | 26,182,652 |
| Total Primary Government Net Position ² | <u>\$ 200,267,360</u> | <u>\$ 199,692,085</u> | <u>\$ 197,483,926</u> | <u>\$ 206,829,382</u> |
| Percent of Increase (Decrease) in Primary Government Net Position | 5.18% | -0.29% | -1.11% | 4.73% |

Notes:

¹ Capital assets include land, easements, infrastructure, construction in progress, structures and improvements, and equipment

² Accounting standards require that net position be reported in three components in the government-wide financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
| \$ 127,708,334 | \$ 132,157,699 | \$ 139,735,646 | \$ 141,165,157 | \$ 147,363,850 | \$ 154,491,286 |
| 43,606,529 | 46,229,210 | 58,774,579 | 59,947,580 | 60,240,953 | 63,372,538 |
| 30,017,634 | 34,954,306 | 22,045,340 | (31,119,468) | (28,318,120) | (34,337,436) |
| <u>\$ 201,332,497</u> | <u>\$ 213,341,215</u> | <u>\$ 220,555,565</u> | <u>\$ 169,993,269</u> | <u>\$ 179,286,683</u> | <u>\$ 183,526,388</u> |
| | | | | | |
| \$ 4,820,394 | \$ 4,515,458 | \$ 5,461,380 | \$ 5,476,880 | \$ 6,052,327 | \$ 5,937,701 |
| - | - | - | - | - | - |
| 1,361,889 | 1,910,311 | 1,308,741 | 905,974 | 7,020,242 | 9,957,413 |
| <u>\$ 6,182,283</u> | <u>\$ 6,425,769</u> | <u>\$ 6,770,121</u> | <u>\$ 6,382,854</u> | <u>\$ 13,072,569</u> | <u>\$ 15,895,114</u> |
| | | | | | |
| \$ 132,528,728 | \$ 136,673,157 | \$ 145,197,026 | \$ 146,642,037 | \$ 153,416,177 | \$ 160,428,987 |
| 43,606,529 | 46,229,210 | 58,774,579 | 59,947,580 | 60,240,953 | 63,372,538 |
| 31,379,523 | 36,864,617 | 23,354,081 | (30,213,494) | (21,297,878) | (24,380,023) |
| <u>\$ 207,514,780</u> | <u>\$ 219,766,984</u> | <u>\$ 227,325,686</u> | <u>\$ 176,376,123</u> | <u>\$ 192,359,252</u> | <u>\$ 199,421,502</u> |
| | | | | | |
| 0.33% | 5.90% | 3.44% | -22.41% | 9.06% | 3.67% |

**COUNTY OF LAKE, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 |
| EXPENSES | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 13,715,474 | \$ 15,191,663 | \$ 14,123,720 | \$ 11,993,533 |
| Public Protection | 37,743,276 | 37,770,494 | 36,406,853 | 35,912,625 |
| Public Ways and Facilities | 20,170,809 | 15,298,651 | 15,710,332 | 15,922,559 |
| Health and Sanitation | 22,698,200 | 29,294,683 | 24,636,130 | 22,820,937 |
| Public Assistance | 34,286,211 | 38,139,448 | 37,990,878 | 39,943,808 |
| Education | 1,364,334 | 1,328,710 | 1,259,325 | 1,255,839 |
| Recreational and Cultural Services | 1,200,640 | 1,425,587 | 1,419,818 | 1,473,657 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 862,712 | 836,875 | 691,874 | 632,157 |
| Total Governmental Activities Expense | 132,041,656 | 139,286,111 | 132,238,930 | 129,955,115 |
| Business-Type Activities: | | | | |
| Solid Waste Management | 2,800,899 | 2,713,001 | 2,536,356 | 2,469,243 |
| Total Primary Government Expenses | <u>\$ 134,842,555</u> | <u>\$ 141,999,112</u> | <u>\$ 134,775,286</u> | <u>\$ 132,424,358</u> |
| PROGRAM REVENUES | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| General Government | \$ 3,829,049 | \$ 4,247,868 | \$ 4,112,277 | \$ 3,024,021 |
| Public Protection | 5,393,016 | 4,552,776 | 4,056,989 | 4,173,442 |
| Public Ways and Facilities | 7,948,728 | 8,083,963 | 7,775,941 | 9,788,016 |
| Health and Sanitation | 8,047,289 | 7,461,033 | 9,332,628 | 6,885,409 |
| Public Assistance | 75,856 | 116,815 | 329,422 | 2,755,571 |
| Education | 26,813 | 24,953 | 23,773 | 22,965 |
| Recreational and Cultural | 52,598 | 10,179 | 34,300 | 34,782 |
| Operating Grants and Contributions | 68,767,430 | 69,921,581 | 61,741,466 | 77,928,429 |
| Capital Grants and Contributions | 6,150,223 | 4,017,714 | 4,216,888 | 33,146 |
| Total Governmental Activities | | | | |
| Program Revenues | 100,291,002 | 98,436,882 | 91,623,684 | 104,645,781 |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Solid Waste Management | 1,876,406 | 1,604,137 | 1,560,729 | 1,422,835 |
| Operating Grants and Contributions | - | 78,599 | 29,296 | 117,700 |
| Capital Grants and Contributions | - | 50,915 | - | - |
| Total Business-Type Activities | | | | |
| Program Revenues | 1,876,406 | 1,733,651 | 1,590,025 | 1,540,535 |
| Total Primary Government | | | | |
| Program Revenues | <u>\$ 102,167,408</u> | <u>\$ 100,170,533</u> | <u>\$ 93,213,709</u> | <u>\$ 106,186,316</u> |
| NET (EXPENSE) REVENUE¹ | | | | |
| Governmental Activities | \$ (31,750,654) | \$ (40,849,229) | \$ (40,615,246) | \$ (25,309,334) |
| Business-Type Activities | (924,493) | (979,350) | (946,331) | (928,708) |
| Total Primary Government Net Expense | <u>\$ (32,675,147)</u> | <u>\$ (41,828,579)</u> | <u>\$ (41,561,577)</u> | <u>\$ (26,238,042)</u> |

| Fiscal Year | | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
| \$ 13,378,397 | \$ 11,277,248 | \$ 11,881,773 | \$ 10,799,649 | \$ 11,857,357 | \$ 12,508,199 |
| 34,497,620 | 35,548,919 | 37,962,106 | 37,276,431 | 48,942,512 | 42,163,755 |
| 15,962,568 | 12,783,460 | 13,223,197 | 13,601,346 | 15,245,885 | 14,593,617 |
| 24,367,096 | 24,043,204 | 24,652,711 | 25,795,685 | 26,374,767 | 26,450,525 |
| 39,828,753 | 40,115,108 | 41,164,775 | 40,500,099 | 43,073,851 | 44,217,861 |
| 1,220,056 | 1,342,771 | 1,270,546 | 1,206,245 | 1,219,463 | 1,273,021 |
| 1,576,138 | 1,678,444 | 1,660,156 | 1,783,520 | 1,818,386 | 2,294,310 |
| 1,178,234 | 557,357 | 622,320 | 580,154 | 558,711 | 688,474 |
| 132,008,862 | 127,346,511 | 132,437,584 | 131,543,129 | 149,090,932 | 144,189,762 |
| 2,211,157 | 2,364,280 | 2,375,976 | 2,540,963 | 10,302,059 | 2,698,017 |
| <u>\$ 134,220,019</u> | <u>\$ 129,710,791</u> | <u>\$ 134,813,560</u> | <u>\$ 134,084,092</u> | <u>\$ 159,392,991</u> | <u>\$ 146,887,779</u> |
| | | | | | |
| \$ 4,626,453 | \$ 4,840,325 | \$ 4,558,630 | \$ 4,361,897 | \$ 5,388,446 | \$ 6,424,110 |
| 5,536,892 | 5,467,359 | 5,532,455 | 5,573,162 | 7,296,105 | 5,217,207 |
| 6,991,945 | 7,357,706 | 7,715,549 | 7,368,399 | 6,891,268 | 9,216,775 |
| 8,065,592 | 8,734,527 | 9,382,913 | 8,535,190 | 7,404,252 | 8,943,310 |
| 2,633,758 | 2,721,283 | 2,752,479 | 1,481,046 | 2,189,311 | 916,219 |
| 61,346 | 65,823 | 59,309 | 51,557 | 124,310 | 65,094 |
| 31,989 | 20,955 | 27,660 | 24,914 | 699,609 | 36,932 |
| 68,923,497 | 76,189,444 | 77,383,334 | 79,675,548 | 89,602,737 | 84,606,319 |
| - | - | 1,013,855 | 2,117,077 | 4,303,438 | 4,164,473 |
| 96,871,472 | 105,397,422 | 108,426,184 | 109,188,790 | 123,899,476 | 119,590,439 |
| 1,950,735 | 2,490,604 | 2,611,102 | 2,851,946 | 16,870,395 | 5,258,022 |
| - | 36,787 | 24,500 | 79,082 | 52,208 | 75,845 |
| 43,557 | - | - | - | - | - |
| 1,994,292 | 2,527,391 | 2,635,602 | 2,931,028 | 16,922,603 | 5,333,867 |
| <u>\$ 98,865,764</u> | <u>\$ 107,924,813</u> | <u>\$ 111,061,786</u> | <u>\$ 112,119,818</u> | <u>\$ 140,822,079</u> | <u>\$ 124,924,306</u> |
| | | | | | |
| \$ (35,137,390) | \$ (21,949,089) | \$ (24,011,400) | \$ (22,354,339) | \$ (25,191,456) | \$ (24,599,323) |
| (216,865) | 163,111 | 259,626 | 390,065 | 6,620,544 | 2,635,850 |
| <u>\$ (35,354,255)</u> | <u>\$ (21,785,978)</u> | <u>\$ (23,751,774)</u> | <u>\$ (21,964,274)</u> | <u>\$ (18,570,912)</u> | <u>\$ (21,963,473)</u> |

**COUNTY OF LAKE, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | |
|---|----------------------|----------------------|-----------------------|----------------------|
| | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | |
| Governmental Activities: | | | | |
| Taxes: | | | | |
| Property Taxes | \$ 27,998,064 | \$ 29,628,849 | \$ 29,263,637 | \$ 29,018,335 |
| Franchise Taxes ² | 786,178 | 739,433 | 817,420 | 651,036 |
| Sales and Use Taxes | 5,854,355 | 5,486,727 | 4,062,900 | 2,031,078 |
| Transient Occupancy Taxes | 936,984 | 806,190 | 676,696 | 589,880 |
| Transfer Taxes | 302,170 | 240,480 | 224,239 | 198,620 |
| Aircraft Taxes | 20,157 | 19,737 | 23,113 | - |
| Timber Yield Taxes | 7,553 | 1,254 | 38 | - |
| Other Taxes | - | - | - | 22,940 |
| Grants and Contributions - Unrestricted | - | - | - | - |
| Tobacco Settlement | 644,592 | 654,848 | 590,621 | - |
| Unrestricted Interest and Investment Earnings | 3,346,150 | 2,016,232 | 1,683,059 | 872,240 |
| Miscellaneous | 2,617,433 | 1,587,576 | 1,942,098 | 1,868,131 |
| Transfers | 3,396 | - | - | - |
| Special Item | - | - | - | - |
| Total Governmental Activities | <u>42,517,032</u> | <u>41,181,326</u> | <u>39,283,821</u> | <u>35,252,260</u> |
| Business-Type Activities: | | | | |
| Taxes: | | | | |
| Franchise Taxes | - | - | - | 37,036 |
| Unrestricted Interest and Investment Earnings | (59,977) | 71,978 | 61,166 | 56,490 |
| Miscellaneous | 1,213 | - | 8,431 | 7,508 |
| Transfers | (3,396) | - | - | - |
| Total Business-Type Activities | <u>(62,160)</u> | <u>71,978</u> | <u>69,597</u> | <u>101,034</u> |
| Total Primary Government | <u>\$ 42,454,872</u> | <u>\$ 41,253,304</u> | <u>\$ 39,353,418</u> | <u>\$ 35,353,294</u> |
| CHANGE IN NET POSITION | | | | |
| Governmental Activities | \$ 10,766,378 | \$ 332,097 | \$ (1,331,425) | \$ 9,942,926 |
| Business-Type Activities | (986,653) | (907,372) | (876,734) | (827,674) |
| Total Primary Government | <u>\$ 9,779,725</u> | <u>\$ (575,275)</u> | <u>\$ (2,208,159)</u> | <u>\$ 9,115,252</u> |

¹Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

²Franchise taxes were reclassified as franchise fees and included in charges for service starting in fiscal year 2017.

Source: Basic financial statements and Comprehensive Annual Financial Reports - County of Lake, California

| Fiscal Year | | | | | |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
| \$ 25,610,938 | \$ 24,594,160 | \$ 26,108,493 | \$ 25,897,761 | \$ 26,814,811 | \$ 27,238,046 |
| 634,372 | 625,391 | 641,074 | 658,846 | 670,775 | - |
| 2,616,216 | 2,758,221 | 2,711,513 | 2,658,395 | 2,606,804 | 3,402,000 |
| 601,015 | 441,277 | 660,370 | 592,113 | 713,172 | 449,485 |
| 218,292 | 282,173 | 279,410 | 289,069 | 378,031 | 497,047 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 19,244 | 20,285 | 17,197 | 19,029 | 25,806 | 48,231 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 910,958 | 843,435 | 800,784 | 723,283 | 829,984 | 1,454,567 |
| 10,187 | 6,964 | 6,909 | 14,672 | 2,445,487 | 249,652 |
| - | 14,200 | - | - | - | - |
| - | - | - | - | - | (4,500,000) |
| 30,621,222 | 29,586,106 | 31,225,750 | 30,853,168 | 34,484,870 | 28,839,028 |
| 31,357 | 41,433 | 42,734 | - | - | - |
| 56,732 | 53,142 | 41,992 | 32,489 | 68,971 | 184,564 |
| - | - | - | 1,141 | 200 | 2,131 |
| - | (14,200) | - | - | - | - |
| 88,089 | 80,375 | 84,726 | 33,630 | 69,171 | 186,695 |
| <u>\$ 30,709,311</u> | <u>\$ 29,666,481</u> | <u>\$ 31,310,476</u> | <u>\$ 30,886,798</u> | <u>\$ 34,554,041</u> | <u>\$ 29,025,723</u> |
| \$ (4,516,168) | \$ 7,637,017 | \$ 7,214,350 | \$ 8,498,829 | \$ 9,293,414 | \$ 4,239,705 |
| (128,776) | 243,486 | 344,352 | 423,695 | 6,689,715 | 2,822,545 |
| <u>\$ (4,644,944)</u> | <u>\$ 7,880,503</u> | <u>\$ 7,558,702</u> | <u>\$ 8,922,524</u> | <u>\$ 15,983,129</u> | <u>\$ 7,062,250</u> |

**COUNTY OF LAKE, CALIFORNIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | |
|--------------------------------------|----------------------|----------------------|----------------------|------------------------|
| | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 ¹ |
| General Fund: | | | | |
| Reserved | \$ 6,326,743 | \$ 8,258,876 | \$ 7,250,910 | |
| Unreserved | 20,053,680 | 20,424,700 | 23,155,570 | |
| Total General Fund | <u>\$ 26,380,423</u> | <u>\$ 28,683,576</u> | <u>\$ 30,406,480</u> | |
| All Other Governmental Funds: | | | | |
| Reserved | \$ 5,275,812 | \$ 15,204,419 | \$ 12,160,247 | |
| Unreserved, Reported in: | | | | |
| Special Revenue Funds | 32,778,028 | 22,695,550 | 17,425,919 | |
| Capital Projects Funds | 6,366,317 | (878,517) | 3,665,185 | |
| Debt Service Funds | 568,177 | 715,792 | - | |
| Total All Other Governmental Funds | <u>\$ 44,988,334</u> | <u>\$ 37,737,244</u> | <u>\$ 33,251,351</u> | |
| General Fund: | | | | |
| Nonspendable | | | | \$ 6,916,240 |
| Restricted | | | | - |
| Assigned | | | | 25,647,051 |
| Unassigned | | | | - |
| Total General Fund | | | | <u>\$ 32,563,291</u> |
| All Other Governmental Funds: | | | | |
| Nonspendable | | | | \$ 150,791 |
| Restricted | | | | 41,772,626 |
| Committed | | | | 28,296 |
| Assigned | | | | 4,248,478 |
| Unassigned | | | | (4,870,530) |
| Total All Other Governmental Funds | | | | <u>\$ 41,329,661</u> |

¹ GASB Statement No. 54, which became effective in fiscal year 2010-11, requires that fund balance on a prospective basis as either: nonspendable, restricted, committed, assigned, or unassigned.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Lake, California

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
| | | | | | |
| | | | | | |
| | | | | | |
| \$ 7,088,602 | \$ 6,706,342 | \$ 5,885,169 | \$ 6,718,908 | \$ 6,848,773 | \$ 5,294,496 |
| - | 2,015,629 | 2,026,420 | 2,033,988 | 2,042,576 | 2,059,664 |
| 17,126,695 | 11,109,483 | 11,165,436 | 9,512,076 | 9,961,858 | 10,234,960 |
| 8,591,788 | 11,104,600 | 11,435,483 | 12,483,872 | 8,807,500 | 9,295,772 |
| <u>\$ 32,807,085</u> | <u>\$ 30,936,054</u> | <u>\$ 30,512,508</u> | <u>\$ 30,748,844</u> | <u>\$ 27,660,707</u> | <u>\$ 26,884,892</u> |
| | | | | | |
| \$ 630,337 | \$ 122,305 | \$ 119,531 | \$ 135,274 | \$ 112,159 | \$ 117,605 |
| 43,606,529 | 52,011,370 | 54,858,345 | 57,913,592 | 59,728,805 | 57,298,748 |
| - | - | - | 3,911,413 | - | - |
| 2,503,527 | 1,434,109 | 725,232 | - | 4,472,252 | 3,554,381 |
| (124,491) | - | - | - | (10,001) | (705) |
| <u>\$ 46,615,902</u> | <u>\$ 53,567,784</u> | <u>\$ 55,703,108</u> | <u>\$ 61,960,279</u> | <u>\$ 64,303,215</u> | <u>\$ 60,970,029</u> |

**COUNTY OF LAKE, CALIFORNIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | |
|--|---------------------|-----------------------|-----------------------|----------------------|
| | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 |
| REVENUES | | | | |
| Taxes | \$ 32,121,454 | \$ 33,579,002 | \$ 31,908,945 | \$ 32,015,353 |
| Licenses, Fees, and Permits | 2,475,955 | 2,439,661 | 2,339,530 | 2,158,435 |
| Fines, Forfeits, and Penalties | 1,874,388 | 1,919,549 | 1,603,104 | 1,521,854 |
| Use of Money and Property | 3,309,161 | 1,964,120 | 1,536,185 | 853,184 |
| Aid from Other Governments | 76,862,863 | 72,864,304 | 71,060,080 | 78,611,207 |
| Charges for Services | 22,107,287 | 20,728,894 | 22,080,881 | 23,772,486 |
| Miscellaneous | 2,631,729 | 2,431,929 | 2,200,331 | 1,845,524 |
| Total Revenues | 141,382,837 | 135,927,459 | 132,729,056 | 140,778,043 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 13,300,494 | 13,759,431 | 12,682,018 | 11,119,073 |
| Public Protection | 37,369,778 | 35,961,703 | 35,067,956 | 34,420,143 |
| Public Ways and Facilities | 13,301,673 | 13,566,794 | 14,010,963 | 13,634,029 |
| Health and Sanitation | 21,913,523 | 24,489,667 | 19,629,888 | 18,868,614 |
| Public Assistance | 34,304,905 | 37,865,392 | 37,562,101 | 39,569,238 |
| Education | 1,335,386 | 1,283,321 | 1,201,881 | 1,201,233 |
| Recreational and Cultural Studies | 1,048,130 | 1,230,385 | 1,245,487 | 1,261,247 |
| Capital Outlay | 13,332,021 | 8,687,735 | 12,020,157 | 9,330,350 |
| Debt Service: | | | | |
| Principal | 1,864,601 | 3,201,617 | 1,789,286 | 1,844,738 |
| Interest | 874,538 | 855,514 | 708,752 | 664,653 |
| Total Expenditures | 138,645,049 | 140,901,559 | 135,918,489 | 131,913,318 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 2,737,788 | (4,974,100) | (3,189,433) | 8,864,725 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | - | 275,688 |
| Issuance of Debt | 1,733,604 | 16,910 | 435,249 | 864,504 |
| Transfers in | 10,623,221 | 5,835,007 | 12,540,849 | 3,733,489 |
| Transfers out | (10,646,591) | (5,834,507) | (12,540,849) | (3,733,489) |
| Total Other Financing Sources (Uses) | 1,710,234 | 17,410 | 435,249 | 1,140,192 |
| Special Item | - | - | - | - |
| NET CHANGE IN FUND BALANCE | <u>\$ 4,448,022</u> | <u>\$ (4,956,690)</u> | <u>\$ (2,754,184)</u> | <u>\$ 10,004,917</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 2.19% | 3.07% | 2.02% | 2.05% |

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Lake, California

| Fiscal Year | | | | | |
|---------------|---------------|---------------|---------------|---------------|----------------|
| 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 |
| \$ 29,700,077 | \$ 28,721,507 | \$ 30,418,057 | \$ 30,115,213 | \$ 31,209,399 | \$ 31,634,809 |
| 1,526,890 | 1,586,157 | 1,639,524 | 1,699,666 | 1,967,941 | 3,124,394 |
| 1,403,169 | 1,350,796 | 2,042,188 | 1,560,248 | 1,461,986 | 1,713,830 |
| 889,588 | 821,702 | 784,963 | 713,471 | 820,051 | 1,188,482 |
| 70,908,303 | 73,588,236 | 79,582,404 | 82,387,655 | 91,814,841 | 87,997,207 |
| 23,775,821 | 24,526,056 | 24,995,147 | 22,667,699 | 23,179,918 | 23,233,016 |
| 1,479,837 | 1,667,602 | 1,445,443 | 1,488,712 | 5,578,606 | 2,958,385 |
| 129,683,685 | 132,262,056 | 140,907,726 | 140,632,664 | 156,032,742 | 151,850,123 |
| 12,797,285 | 10,449,689 | 11,203,454 | 10,576,814 | 12,817,996 | 13,911,565 |
| 33,628,059 | 34,807,737 | 36,944,048 | 37,162,182 | 48,448,648 | 41,530,511 |
| 14,348,741 | 12,738,425 | 13,513,470 | 12,035,859 | 13,318,893 | 12,269,374 |
| 20,075,903 | 19,869,322 | 20,819,573 | 22,035,206 | 22,681,757 | 23,838,849 |
| 39,726,870 | 40,029,613 | 40,990,894 | 40,606,732 | 43,339,158 | 43,859,389 |
| 1,183,787 | 1,311,071 | 1,232,850 | 1,184,220 | 1,207,732 | 1,243,433 |
| 1,397,606 | 1,497,568 | 1,481,271 | 1,625,202 | 1,662,321 | 2,093,634 |
| 8,288,210 | 8,777,884 | 10,757,313 | 6,665,572 | 11,317,456 | 10,663,231 |
| 1,518,663 | 1,514,425 | 1,602,478 | 1,656,857 | 1,670,480 | 1,473,823 |
| 1,026,808 | 579,292 | 648,112 | 600,290 | 555,936 | 700,613 |
| 133,991,932 | 131,575,026 | 139,193,463 | 134,148,934 | 157,020,377 | 151,584,422 |
| (4,308,247) | 687,030 | 1,714,263 | 6,483,730 | (987,635) | 265,701 |
| 1,455 | 2,254 | 289 | 9,777 | 242,434 | 34,572 |
| 4,500,000 | - | - | - | - | 90,726 |
| 6,547,693 | 2,887,464 | 3,374,574 | 5,460,257 | 5,597,742 | 2,501,764 |
| (6,547,693) | (2,867,682) | (3,374,574) | (5,460,257) | (5,597,742) | (2,501,764) |
| 4,501,455 | 22,036 | 289 | 9,777 | 242,434 | 125,298 |
| 5,330,342 | - | - | - | - | (4,500,000) |
| \$ 5,523,550 | \$ 709,066 | \$ 1,714,552 | \$ 6,493,507 | \$ (745,201) | \$ (4,109,001) |
| 2.02% | 1.71% | 1.75% | 1.77% | 1.49% | 1.56% |

COUNTY OF LAKE, CALIFORNIA
ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Secured</u> | <u>Unsecured</u> | <u>Unitary</u> | <u>Exempt</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> |
|--------------------|------------------|------------------|----------------|------------------|---|----------------------------------|
| 2007-2008 | \$ 6,664,955,553 | \$ 164,470,378 | \$ 94,113,572 | \$ (245,526,816) | \$ 6,678,012,687 | 1.00000 |
| 2008-2009 | 6,924,655,626 | 195,061,720 | 121,130,023 | (280,850,654) | 6,959,996,715 | 1.00000 |
| 2009-2010 | 6,641,695,302 | 188,631,595 | 121,130,023 | (289,390,449) | 6,662,066,471 | 1.00000 |
| 2010-2011 | 6,272,928,356 | 156,777,045 | 124,016,981 | (302,459,343) | 6,251,263,039 | 1.00000 |
| 2011-2012 | 6,485,607,299 | 154,746,722 | 133,434,108 | (304,283,452) | 6,469,504,677 | 1.00000 |
| 2012-2013 | 6,464,567,588 | 150,878,760 | 136,510,915 | (297,286,619) | 6,454,670,644 | 1.00000 |
| 2013-2014 | 6,416,886,271 | 151,069,565 | 141,146,170 | (304,968,452) | 6,404,133,554 | 1.00000 |
| 2014-2015 | 6,386,528,975 | 153,800,251 | 144,387,077 | (307,826,291) | 6,376,890,012 | 1.00000 |
| 2015-2016 | 6,451,226,402 | 150,226,780 | 155,794,317 | (313,955,828) | 6,443,291,671 | 1.00000 |
| 2016-2017 | 6,358,908,461 | 155,175,048 | 176,462,118 | (320,975,888) | 6,369,569,739 | 1.00000 |

Source: Auditor-Controller, Property Tax Division

**COUNTY OF LAKE, CALIFORNIA
PROPERTY TAX RATE – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

| Fiscal Year | Property Tax Rate Per \$100 of Assessed Value | | Distribution of General Levy Property Taxes | | | | |
|-------------|--|---------|---|--------|--------------------|---------------------|------------|
| | Low | High | County | Cities | School District | Special District | Total Rate |
| 2007-2008 | 1.00000 | 1.04997 | 26.08 | 2.38 | 57.95 | 13.58 | 100.00 |
| 2008-2009 | 1.00000 | 1.10080 | 26.10 | 2.41 | 57.91 | 13.59 | 100.00 |
| 2009-2010 | 1.00000 | 1.10080 | 26.10 | 2.41 | 57.95 | 13.55 | 100.00 |
| 2010-2011 | 1.00000 | 1.10253 | 26.09 | 2.37 | 58.00 | 13.53 | 100.00 |
| 2011-2012 | 1.00000 | 1.11674 | 26.09 | 2.35 | 58.07 | 13.49 | 100.00 |
| 2012-2013 | 1.00000 | 1.09600 | 26.09 | 2.32 | 58.14 | 13.45 | 100.00 |
| 2013-2014 | 1.00000 | 1.09600 | 26.20 | 2.33 | 58.04 | 13.43 | 100.00 |
| 2014-2015 | 1.00000 | 1.09497 | 26.21 | 2.31 | 58.07 | 13.41 | 100.00 |
| 2015-2016 | 1.00000 | 1.13220 | 26.22 | 2.30 | 58.09 | 13.40 | 100.00 |
| 2016-2017 | 1.00000 | 1.12899 | 26.20 | 2.36 | 58.05 | 13.39 | 100.00 |

(1) Rates shown represent a weighted average of the various school district tax rate areas within the County of Lake

Source: Auditor-Controller, Property Tax Division

**COUNTY OF LAKE, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2017 AND JUNE 30, 2008**

June 30, 2017:

| Taxpayers | Type of Business | Net Assessed Secured Property Value | Percentage of Total Net Assessed Value | Total Secured Tax Levy Fiscal Year 2016-17 | Percentage of Total Secured Tax Levy Fiscal Year 2016-17 |
|----------------------------------|------------------|-------------------------------------|--|--|--|
| Geysers Power Company LLC | Utility | \$ 337,965,904 | 5.25 % | \$ 3,690,751 | 4.79 % |
| Pacific Gas & Electric Co. | Utility | 144,791,098 | 2.25 | 1,598,927 | 2.08 |
| Gallo Vineyards Inc. | Agriculture | 34,289,238 | 0.53 | 377,462 | 0.49 |
| Bottle Rock Power Company | Utility | 33,830,748 | 0.53 | 369,285 | 0.48 |
| Brassfield Estate Vineyard | Agriculture | 24,394,706 | 0.38 | 268,435 | 0.35 |
| Worldmark, The Club | Resort | 18,705,520 | 0.29 | 201,322 | 0.26 |
| Heart Consciousness Church, Inc. | Religious | 17,875,301 | 0.28 | 196,535 | 0.26 |
| Safeway Inc | Retail | 17,440,058 | 0.27 | 202,098 | 0.26 |
| Beckstoffer Vineyards X, Inc. | Agriculture | 14,117,324 | 0.22 | 154,279 | 0.20 |
| Guenoc Winery Inc. | Agriculture | 14,012,768 | 0.22 | 153,844 | 0.20 |
| Ten Largest Taxpayers | | 657,422,665 | 10.21 | 7,212,937 | 9.36 |
| All Other Taxpayers | | 5,778,799,199 | 89.79 | 69,826,380 | 90.64 |
| Total | | <u>\$ 6,436,221,864</u> | <u>100.00 %</u> | <u>\$ 77,039,317</u> | <u>100.00 %</u> |

June 30, 2008:

| Taxpayers | Type of Business | Net Assessed Secured Property Value | Percentage of Total Net Assessed Value | Total Secured Tax Levy Fiscal Year 2007-08 | Percentage of Total Secured Tax Levy Fiscal Year 2007-08 |
|-----------------------------|------------------|-------------------------------------|--|--|--|
| Geysers Power Company | Utility | \$ 322,311,261 | 4.95 % | \$ 3,433,928 | 4.59 % |
| Pacific Gas & Electric Co. | Utility | 65,787,816 | 1.01 | 690,707 | 0.92 |
| Smith MM Trustee | Resort | 21,534,010 | 0.33 | 220,251 | 0.29 |
| Worldmark, The Club | Resort | 16,708,115 | 0.26 | 180,765 | 0.24 |
| Pacific Bell Telephone Co. | Utility | 13,633,410 | 0.21 | 142,924 | 0.19 |
| Brassfield, Jerry & Shann M | Agriculture | 11,454,025 | 0.18 | 122,102 | 0.16 |
| Wal-Mart Stores Inc. | Retail | 9,297,822 | 0.14 | 105,795 | 0.14 |
| Lany Lakeport LP | Retail | 6,724,874 | 0.10 | 74,423 | 0.10 |
| Yolo County Flood Control | Utility | 6,398,369 | 0.10 | 68,040 | 0.09 |
| Guenoc Winery Inc. | Agriculture | 6,383,951 | 0.10 | 68,262 | 0.09 |
| Ten Largest Taxpayers | | 480,233,653 | 7.37 | 5,107,198 | 6.83 |
| All Other Taxpayers | | 6,034,504,403 | 92.63 | 69,671,975 | 93.17 |
| Total | | <u>\$ 6,514,738,056</u> | <u>100.00 %</u> | <u>\$ 74,779,173</u> | <u>100.00 %</u> |

Source: Auditor-Controller

**COUNTY OF LAKE, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year | Taxes Levied | Collections within Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------|-----------------|--|-----------|---------------------------------------|---------------------------------|-----------|
| | | Amount | % of Levy | | Amount | % of Levy |
| 2007-2008 | \$ 75,597,720 | \$ 69,466,406 | 91.89 % | \$ 4,497,542 | \$ 73,963,948 | 97.84 % |
| 2008-2009 | 78,438,800 | 72,875,870 | 92.91 | 4,540,007 | 77,415,877 | 98.70 |
| 2009-2010 | 78,643,345 | 73,289,493 | 93.19 | 4,287,851 | 77,577,344 | 98.64 |
| 2010-2011 | 77,156,892 | 72,753,236 | 94.29 | 2,722,747 | 75,475,983 | 97.82 |
| 2011-2012 | 77,881,542 | 73,379,476 | 94.22 | 1,592,897 | 74,972,373 | 96.26 |
| 2012-2013 | 78,069,672 | 73,455,051 | 94.09 | 1,737,894 | 75,192,945 | 96.32 |
| 2013-2014 | 77,086,454 | 72,682,389 | 94.29 | 413,300 | 73,095,689 | 94.82 |
| 2014-2015 | 76,839,060 | 72,528,799 | 94.39 | 1,006,464 | 73,535,263 | 95.70 |
| 2015-2016 | 76,548,437 | 72,097,230 | 94.19 | 376,391 | 72,473,621 | 94.68 |
| 2016-2017 | 78,293,354 | 73,503,113 | 93.88 | 293,534 | 73,796,647 | 94.26 |

Source: Auditor-Controller

**COUNTY OF LAKE, CALIFORNIA
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

| Sales Tax | | | | | | | Annual Report Tax and Assmt |
|-------------|--------------|------------|---------------|--------------------------------|---------------|---------------|--------------------------------|
| Fiscal Year | Local | In-Lieu | Public Safety | Motor Vehicle In-Lieu Taxes | Property Tax | Total | |
| 2007-2008 | \$ 2,121,469 | \$ 873,494 | \$ 2,823,313 | \$ 6,529,221 | \$ 17,818,856 | \$ 30,166,353 | \$ 27,343,040 |
| 2008-2009 | 2,151,152 | 622,269 | 2,555,488 | 6,763,765 | 18,774,227 | 30,866,901 | 28,311,413 |
| 2009-2010 | 1,610,599 | 727,854 | 2,461,997 | 6,766,796 | 18,260,290 | 29,827,536 | 27,365,539 |
| 2010-2011 | 1,790,652 | 394,926 | 2,482,403 | 6,667,341 | 18,081,302 | 29,416,624 | 26,934,221 |
| 2011-2012 | 1,835,086 | 645,430 | 2,574,800 | 6,578,037 | 15,633,257 | 27,266,610 | 24,691,810 |
| 2012-2013 | 2,056,878 | 701,342 | 2,803,027 | 6,551,325 | 16,036,647 | 28,149,219 | 25,346,192 |
| 2013-2014 | 1,998,735 | 712,778 | 2,837,615 | 6,639,896 | 17,801,600 | 29,990,625 | 27,153,009 |
| 2014-2015 | 2,011,624 | 656,771 | 2,992,627 | 6,499,495 | 17,688,673 | 29,849,191 | 26,856,564 |
| 2015-2016 | 2,439,152 | 566,514 | 2,821,198 | 6,557,728 | 18,751,066 | 31,135,659 | 28,314,460 |
| 2016-2017 | 3,003,138 | - | 2,900,456 | 6,470,942 | 19,504,945 | 31,879,481 | 28,979,025 |

Source: Auditor-Controller

**COUNTY OF LAKE, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| Fiscal Years | Governmental Activities | | | | |
|--------------|-------------------------|-----------------------|---------------|------------------|----------------------------------|
| | General Obligation | Special Assessment | Loans Payable | Revenue Bonds | Certificates of Participation |
| 2007/2008 | \$ 824,000 | \$ 1,781,000 | \$ 16,992,568 | \$ - | \$ 2,773,196 |
| 2008/2009 | 691,000 | 1,370,000 | 14,373,404 | - | 2,738,496 |
| 2009/2010 | 550,000 | 927,000 | 13,656,377 | - | 2,702,396 |
| 2010/2011 | 405,000 | 451,000 | 13,334,843 | - | 2,664,296 |
| 2011/2012 | 253,000 | 404,000 | 12,056,511 | 4,500,000 | 2,625,396 |
| 2012/2013 | 144,000 | 3,586,000 | 10,740,086 | 4,500,000 | 2,584,396 |
| 2013/2014 | 75,000 | 304,000 | 9,386,407 | 4,415,000 | 2,541,596 |
| 2014/2015 | - | 249,000 | 7,994,151 | 4,325,000 | 2,496,996 |
| 2015/2016 | - | 192,000 | 6,517,069 | 4,235,000 | 2,450,596 |
| 2016/2017 | - | 131,000 | 6,183,474 | 4,140,000 | 2,402,096 |

| Governmental Activities | | | | | |
|--------------------------|---------------|-----------------------------|---------------------------|------------|--|
| Capital Lease Payable | Total | Total Primary Government | Percentage of Personal | Per Capita | |
| \$ 3,755 | \$ 22,374,519 | \$ 22,374,519 | 0.11% | 349 | |
| 16,910 | 19,189,810 | 19,189,810 | 0.92% | 300 | |
| - | 17,835,773 | 17,835,773 | 0.85% | 278 | |
| - | 16,855,139 | 16,855,139 | 0.79% | 260 | |
| - | 19,838,907 | 19,838,907 | 1.12% | 314 | |
| - | 21,554,482 | 21,554,482 | 1.19% | 284 | |
| - | 16,722,003 | 16,722,003 | 0.86% | 258 | |
| - | 15,065,147 | 15,065,147 | 0.73% | 232 | |
| - | 13,394,665 | 13,394,665 | n/a | 208 | |
| - | 12,856,570 | 12,856,570 | n/a | 198 | |

**COUNTY OF LAKE, CALIFORNIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| Fiscal Years | General Bonded Debt Outstanding | | | Percentage of Personal Income | Percentage of Total Taxable Assessed Value | Per Capita |
|--------------|---------------------------------|--------------------------------|--------------|-------------------------------------|--|------------|
| | General Obligation Bonds | Special Assessment Bonds | Total | | | |
| 2007/2008 | \$ 824,000 | \$ 1,781,000 | \$ 2,605,000 | 0.12% | 0.04% | 41 |
| 2008/2009 | 691,000 | 1,370,000 | 2,061,000 | 0.10% | 0.03% | 32 |
| 2009/2010 | 550,000 | 927,000 | 1,477,000 | 0.07% | 0.02% | 23 |
| 2010/2011 | 405,000 | 451,000 | 856,000 | 0.04% | 0.01% | 13 |
| 2011/2012 | 253,000 | 404,000 | 657,000 | 0.04% | 0.01% | 10 |
| 2012/2013 | 144,000 | 356,000 | 500,000 | 0.03% | 0.01% | 8 |
| 2013/2014 | 75,000 | 304,000 | 379,000 | 0.02% | 0.01% | 6 |
| 2014/2015 | - | 249,000 | 249,000 | 0.01% | 0.00% | 4 |
| 2015/2016 | - | 192,000 | 192,000 | 0.01% | 0.00% | 3 |
| 2016/2017 | - | 131,000 | 131,000 | n/a | 0.00% | 2 |

**COUNTY OF LAKE, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ENDED JUNE 30, 2017**

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Total Assessed Value of All Real and Personal Property | <u>\$ 6,923,539,503</u> | <u>\$ 7,240,847,369</u> | <u>\$ 6,951,456,920</u> | <u>\$ 6,553,722,382</u> |
| Debt Limit Percentage | <u>1.25%</u> | <u>1.25%</u> | <u>1.25%</u> | <u>1.25%</u> |
| Debt Limit | \$ 86,544,244 | \$ 90,510,592 | \$ 86,893,212 | \$ 81,921,530 |
| Total Net Debt Applicable to Limit | <u>2,605,000</u> | <u>2,061,000</u> | <u>1,477,000</u> | <u>856,000</u> |
| Legal Debt Margin | <u>\$ 83,939,244</u> | <u>\$ 88,449,592</u> | <u>\$ 85,416,212</u> | <u>\$ 81,065,530</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 3.01% | 2.28% | 1.70% | 1.04% |

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>\$ 6,773,788,129</u> | <u>\$ 6,751,957,263</u> | <u>\$ 6,709,102,006</u> | <u>\$ 6,684,716,303</u> | <u>\$ 6,757,247,499</u> | <u>\$ 6,690,545,627</u> |
| 1.25% | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |
| \$ 84,672,352 | \$ 84,399,466 | \$ 83,863,775 | \$ 83,558,954 | \$ 84,465,594 | \$ 83,631,820 |
| 657,000 | 500,000 | 379,000 | 249,000 | 192,000 | 131,000 |
| <u>\$ 84,015,352</u> | <u>\$ 83,899,466</u> | <u>\$ 83,484,775</u> | <u>\$ 83,309,954</u> | <u>\$ 84,273,594</u> | <u>\$ 83,500,820</u> |
| 0.78% | 0.59% | 0.45% | 0.30% | 0.23% | 0.16% |

**COUNTY OF LAKE, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**

| (1) Year | (2) Population | (3) Personal Income | (3) Per Capita Personal Income | (4) School Enrollment | (5) Unemployment Rate |
|-------------|-------------------|---------------------------|---|-----------------------------|-----------------------------|
| 2008 | 64,059 | \$ 2,089,364,000 | 32,099 | 9,804 | 9.7% |
| 2009 | 64,025 | 2,080,699,000 | 31,874 | 9,663 | 14.7% |
| 2010 | 64,053 | 2,107,287,000 | 32,543 | 8,857 | 15.8% |
| 2011 | 64,784 | 2,146,801,000 | 33,375 | 8,734 | 16.0% |
| 2012 | 63,266 | 1,768,039,281 | 46,477 | 9,223 | 13.7% |
| 2013 | 64,531 | 1,817,010,275 | 47,401 | 9,145 | 11.9% |
| 2014 | 64,699 | 1,939,527,656 | 49,985 | 9,016 | 9.1% |
| 2015 | 64,918 | 2,061,337,141 | 52,651 | 9,165 | 7.6% |
| 2016 | 64,306 | 2,197,492,012 | 55,987 | 9,230 | 6.9% |
| 2017 | 64,945 | N/A | N/A | 9,435 | 5.7% |

Detail of estimated population, as of January 1, 2017

Incorporated Cities:

| | |
|--------------------|--------|
| Clearlake | 15,531 |
| Lakeport | 4,786 |
| Total Incorporated | 20,317 |
| Unincorporated | 44,628 |
| Total Population | 64,945 |

Notes:

(1) Calendar year

Sources:

- (2) California Department of Finance, Demographic Research Unit as of January 1
- (3) U.S. Department of Commerce, Bureau of Economic Analysis
- (4) California Department of Education
- (5) Employment Development Department, Labor Market Information Division as of June 30

**COUNTY OF LAKE, CALIFORNIA
PRINCIPAL EMPLOYERS**

| | Fiscal Year 2016/2017 | | | Fiscal Year 2007/2008 | | |
|-------------------------------------|------------------------|------|---|------------------------|------|---|
| | Permanent Employees | Rank | Percentage of Total County Employment | Permanent Employees | Rank | Percentage of Total County Employment |
| Top 10 | | | | | | |
| County of Lake | 795 | 1 | 13.92 % | 850 | 1 | 13.30 % |
| Sutter Lakeside Hospital | 406 | 2 | 7.11 | 443 | 2 | 6.93 |
| Konocti Unified School District | 398 | 3 | 6.97 | 355 | 4 | 5.55 |
| St. Helena Hospital Clearlake | 371 | 4 | 6.50 | 362 | 3 | 5.66 |
| Robinson Rancheria Resort & Casino | 325 | 5 | 5.69 | 318 | 6 | 4.97 |
| Twin Pine Casino | 283 | 6 | 4.96 | 216 | 10 | 3.38 |
| Kelseyville Unified School District | 226 | 7 | 3.96 | - | - | - |
| Calpine Corp. | 280 | 8 | 4.90 | 352 | 5 | 5.51 |
| Wal-Mart | 251 | 9 | 4.40 | 259 | 8 | 4.05 |
| Middletown Unified School District | 192 | 10 | 3.36 | | | - |
| Konocti Vista Casino Resort | - | | - | 220 | 9 | 3.44 |
| Konocti Harbor Resort & Spa | - | | - | 250 | - | 3.91 |
| Total Top 10 | <u>3,527</u> | | <u>61.76 %</u> | <u>3,625</u> | | <u>56.70 %</u> |

Source: Lake County Marketing Department as of 9/18/17

**COUNTY OF LAKE, CALIFORNIA
COUNTY EMPLOYEES BY FUNCTION/PROGRAM**

| | <u>2007-2008</u> | <u>2008-2009</u> | <u>2009-2010</u> | <u>2010-2011</u> |
|------------------------------------|------------------|------------------|------------------|------------------|
| Air Quality | 5.000 | 5.000 | 5.000 | 5.000 |
| Economic Development | 5.800 | 5.800 | 5.800 | 4.300 |
| Flood Control | 5.000 | 5.000 | 5.000 | 6.000 |
| General Government | 118.050 | 120.450 | 117.350 | 111.950 |
| Health Services | 152.750 | 152.300 | 124.050 | 122.300 |
| Public Assistance | 204.000 | 198.000 | 197.500 | 219.500 |
| Public Protection | 371.250 | 362.750 | 357.150 | 348.200 |
| Public Ways | 34.000 | 34.000 | 33.000 | 33.000 |
| Recreation, Culture, and Education | 25.700 | 25.700 | 23.700 | 23.700 |
| Solid Waste | 19.000 | 18.800 | 19.000 | 15.000 |
| Water/Wastewater Utility | 41.000 | 41.000 | 42.000 | 43.000 |
| | <u>981.550</u> | <u>968.800</u> | <u>929.550</u> | <u>931.950</u> |

Notes:

Allocated positions on July 1 of each fiscal year.

Full time equivalent, permanent positions only, split department employee shown in home department.

Source:

Final Budget Book

| <u>2011-2012</u> | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 5.000 | 5.000 | 4.600 | 4.600 | 4.600 | 4.600 |
| 4.800 | 2.800 | 1.800 | 0.000 | 0.000 | 0.000 |
| 6.000 | 5.750 | 6.750 | 7.750 | 7.750 | 9.000 |
| 108.950 | 112.200 | 109.300 | 108.800 | 108.800 | 111.850 |
| 121.900 | 124.400 | 139.900 | 143.900 | 142.300 | 162.300 |
| 210.000 | 217.000 | 231.750 | 245.000 | 276.000 | 277.000 |
| 333.650 | 331.250 | 338.050 | 339.550 | 345.550 | 324.500 |
| 33.000 | 33.000 | 34.000 | 34.000 | 34.000 | 34.000 |
| 23.700 | 23.700 | 22.700 | 22.700 | 23.750 | 24.000 |
| 14.000 | 14.000 | 13.800 | 14.000 | 14.000 | 15.000 |
| 42.000 | 42.000 | 45.000 | 45.000 | 45.000 | 46.000 |
| <u>903.000</u> | <u>911.100</u> | <u>947.650</u> | <u>965.300</u> | <u>1001.750</u> | <u>1008.250</u> |

**COUNTY OF LAKE, CALIFORNIA
OPERATING INDICATORS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS**

| Department/Function | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------|--------|--------|--------|--------|
| Assessor | | | | | |
| Total Number of Assessment Roll Units: | | | | | |
| Secured | 63,094 | 63,154 | 63,154 | 63,141 | 63,093 |
| Unsecured | 8,266 | 7,898 | 7,898 | 7,792 | 7,454 |
| Community Development | | | | | |
| Building Permits Issued | 1,209 | 936 | 976 | 818 | 855 |
| Building Inspections Conducted | 6,888 | 4,734 | 3,336 | 2,632 | 2,681 |

Source: Community Development Department

| | | | | | |
|--|-----|-----|-----|-----|-----|
| County Clerk/Auditor-Controller | | | | | |
| Certified Copies of Confidential Marriage Licenses | 11 | 18 | 15 | 16 | 14 |
| Confidential Marriage Licenses | 4 | 7 | 8 | 3 | 6 |
| Deputy Commissioner for a Day | 22 | 37 | 46 | 36 | 47 |
| Fictitious Business Name Statements | 923 | 513 | 516 | 552 | 542 |
| Legal Document Assistant Filings | 2 | - | 1 | 3 | 2 |
| Marriage Ceremonies Performed | 99 | 89 | 87 | 78 | 82 |
| Notary Public Filings | 47 | 40 | 41 | 41 | 32 |
| Process Server Filings | 5 | 6 | 9 | 8 | 11 |
| Public Marriage Licenses | 285 | 299 | 274 | 253 | 252 |
| Unlawful Detainer Assistant Filings | - | 1 | - | - | 2 |

All figures are based on a fiscal year calculation. The information provided is as of 06/30/16.
The County Clerk's office is the primary source for information gathered

| | | | | | |
|--------------------------|------|------|------|------|------|
| District Attorney | | | | | |
| Filed Infractions | 122 | 41 | 26 | 47 | 53 |
| Filed Felonies | 713 | 761 | 739 | 883 | 868 |
| Filed Misdemeanors | 2169 | 2404 | 2135 | 2024 | 1797 |
| Number of Cases Received | 4083 | 4687 | 4317 | 4508 | 4754 |
| Total # of Cases Filed | 3004 | 3206 | 2900 | 2954 | 2718 |

All figures are based on a calender year calculation. The information provided is as of 12/31/15.
The District Attorney's office is the primary source for information gathered.

| | | | | | |
|------------------------------|-----|-----|-----|-----|-------|
| Probation | | | | | |
| # of Adults Supervised | 742 | 713 | 848 | 890 | 1,050 |
| # of Juveniles Supervised | 220 | 210 | 116 | 111 | 217 |
| # of Informal Juvenile Cases | 67 | 188 | 19 | 21 | 160 |
| Avg Juvenile Hall Population | 32 | 22 | 15 | 12 | 20 |
| # of Adult Reports | 966 | 848 | 736 | 740 | 1,028 |
| # of Juvenile Reports | 322 | 395 | 215 | 210 | 338 |
| Civil Reports | n/a | n/a | n/a | n/a | - |

All figures are based on a calender year calculation. The information provided is as of 12/31/15.
The Probation office is the primary source for information gathered

| 2013 | 2014 | 2015 | 2016 | 2017 |
|--------|--------|--------|--------|--------|
| 63,082 | 63,079 | 63,042 | 63,002 | 62,949 |
| 7,155 | 7,330 | 7,440 | 7,489 | 8,136 |
| 737 | 691 | 826 | 2,004 | 6,683 |
| 1,311 | 2,922 | 2,753 | 3,562 | 7,250 |
| 14 | 36 | 15 | 20 | 15 |
| 4 | 14 | 7 | 10 | 12 |
| 40 | 36 | 38 | 25 | 21 |
| 467 | 508 | 462 | 496 | 414 |
| 3 | 1 | 2 | 2 | 3 |
| 88 | 112 | 83 | 80 | 109 |
| 35 | 42 | 38 | 47 | 41 |
| 3 | 8 | 5 | 8 | 5 |
| 278 | 299 | 258 | 268 | 270 |
| 1 | 1 | 1 | 1 | 1 |
| 17 | 15 | 38 | 24 | n/a |
| 1000 | 1006 | 808 | 847 | n/a |
| 1630 | 2165 | 1972 | 2478 | n/a |
| 5308 | 5553 | 5374 | 5943 | n/a |
| 2647 | 3186 | 2818 | 3349 | n/a |
| 1,337 | 1,186 | 1,568 | 1,620 | n/a |
| 169 | 121 | 108 | 179 | n/a |
| 83 | 185 | 194 | 144 | n/a |
| 20 | 14 | 9 | 6 | n/a |
| 1,109 | 909 | 801 | 919 | n/a |
| 356 | 226 | 263 | 186 | n/a |
| - | - | - | 1 | n/a |

COUNTY OF LAKE, CALIFORNIA
OPERATING INDICATORS BY DEPARTMENT/FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

| Department/Function | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------|---------|---------|---------|---------|
| Public Services | | | | | |
| Parks & Rec | | | | | |
| Acreage | 244 | 244 | 1,788 | 1,788 | 1,790 |
| Playgrounds | 12 | 12 | 12 | 12 | 12 |
| Baseball/Softball Fields | 4 | 4 | 4 | 4 | 4 |
| Soccer/Football Fields | n/a | n/a | n/a | n/a | n/a |
| Tennis Courts | 2 | 2 | 2 | 2 | 2 |
| Public Pools | 1 | 1 | 1 | 1 | 1 |
| Community Centers | n/a | n/a | n/a | n/a | n/a |
| Veterans Buildings | 1 | 1 | 1 | 1 | 1 |
| Day Use and Camping Parks | 23 | 23 | 24 | 24 | 25 |
| Open Space Areas (County Developed) | 1 | 1 | 1 | 1 | 1 |
| Outdoor Event Centers (i.e. Fairgrounds, etc) | n/a | n/a | n/a | n/a | n/a |
| Solid Waste | | | | | |
| Waste Recycled (tons per month) | 3,000 | 3,000 | 3,000 | 3,000 | 2,240 |
| Landfill Waste Disposal (tons per month) | 4,250 | 4,150 | 4,052 | 3,400 | 2,475 |
| Museums | | | | | |
| # of museums | 2 | 2 | 2 | 2 | 2 |
| Data is as of December 31 of each fiscal year. | | | | | |
| Source: Lake County Public Services Department | | | | | |
| Library | | | | | |
| * Volumes in Collection | 139,697 | 145,655 | 146,052 | 146,772 | 146,590 |
| *Volumes Borrowed | 201,072 | 223,268 | 247,510 | 246,948 | 163,907 |

All figures are based on a fiscal year calculation. The information provided is as of 06/30/16.

*The information provided by the Library is from an automation system that belongs to Sonoma County Library and is printed from their circulation figures

| | | | | | |
|-----------------------|-----|-----|-----|-----|-----|
| Public Works | | | | | |
| Streets (miles) | 613 | 612 | 612 | 612 | 616 |
| Streetlights | 7 | 7 | 7 | 19 | 19 |
| Traffic Signals | 3 | 3 | 3 | 7 | 7 |
| Seawalls | | 6 | 6 | 6 | 6 |
| Bridges | 113 | 113 | 118 | 118 | 118 |
| Roads Heavy Equipment | 54 | 54 | 52 | 48 | 48 |
| Airport | 1 | 1 | 1 | 1 | 1 |

All figures are based on a fiscal year calculation. The information provided is as of 06/30/16.

The Public Works office is the primary source for information gathered

| 2013 | 2014 | 2015 | 2016 | 2017 |
|---------|---------|---------|---------|---------|
| 1,790 | 1,790 | 1,790 | 1,790 | 1,790 |
| 12 | 12 | 12 | 12 | 12 |
| 4 | 4 | 4 | 4 | 5 |
| n/a | n/a | n/a | n/a | 0 |
| 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 |
| n/a | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 |
| 25 | 25 | 25 | 25 | 25 |
| 1 | 1 | 1 | 1 | 1 |
| n/a | n/a | n/a | n/a | n/a |
| 2,184 | 2,378 | 2,067 | 2,116 | 2,221 |
| 4,681 | 5,064 | 5,012 | 17,834 | 13,350 |
| 2 | 3 | 4 | 4 | 4 |
| 144,937 | 147,760 | 150,409 | 148,671 | 145,799 |
| 122,611 | 119,226 | 112,396 | 101,859 | 94,841 |
| 616 | 616 | 616 | 616 | 616 |
| 19 | 19 | 19 | 21 | 21 |
| 7 | 7 | 7 | 7 | 7 |
| 6 | 6 | 6 | 6 | 6 |
| 122 | 122 | 122 | 131 | 131 |
| 47 | 47 | 47 | 48 | 47 |
| 1 | 1 | 1 | 1 | 1 |

**COUNTY OF LAKE, CALIFORNIA
OPERATING INDICATORS BY DEPARTMENT/FUNCTION
LAST TEN FISCAL YEARS**

| Department/Function | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------------|--------|--------|--------|--------|--------|
| Sheriffs Department | | | | | |
| Stations | 2 | 2 | 3 | 3 | 4 |
| Jail and Detention Facilities | 1 | 1 | 1 | 1 | 1 |
| Cases Written | 4,736 | 5,615 | 5,895 | 5,352 | 5,394 |
| Dispatch Calls | 50,261 | 52,990 | 51,240 | 53,137 | 58,868 |
| Citations issued | 489 | 608 | 501 | 514 | 346 |
| Avg. Daily inmate population | 244 | 224 | 227 | 212 | 264 |

All figures are based on a fiscal year calculation. The information provided is as of 06/30/16.
The Sheriff's Office is the primary source for information gathered

Special Districts

Water

| | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|
| Water Mains (miles) | 86 | 86 | 148 | 148 | 148 |
| Pump Stations | 21 | 21 | 21 | 21 | 21 |
| Fire Hydrants | 268 | 268 | 450 | 454 | 454 |
| Storage Capacity (thous. of gallons) | 3,902 | 3,912 | 3,902 | 3,902 | 3,902 |
| Wells | 15 | 15 | 19 | 20 | 22 |
| Meters | 4,263 | 4,283 | 4,330 | 4,330 | 4,330 |
| Treatment Facilities | 18 | 18 | 18 | 18 | 18 |

Wastewater

| | | | | | |
|--------------------------|-------|-------|-------|-------|-------|
| Collection System (mi) | 316 | 316 | 316 | 316 | 316 |
| Force Mains (mi) | 38 | 38 | 92 | 92 | 92 |
| Lift Stations | 66 | 66 | 67 | 67 | 67 |
| Capacity (AWWF-Mgal/day) | 22 | 22 | 22 | 22 | 22 |
| Manholes | 3,939 | 3,939 | 3,940 | 3,940 | 3,940 |
| Treatment Facilities | 4 | 4 | 4 | 4 | 4 |

All figures are based on a fiscal year calculation. The information provided is as of 06/30/17.
Lake County Special Districts is the primary source for information gathered

| 2013 | 2014 | 2015 | 2016 | 2017 |
|--------|--------|--------|--------|--------|
| 5 | 4 | 4 | 4 | 4 |
| 1 | 1 | 1 | 1 | 1 |
| 5,038 | 5,421 | 5,327 | 4,989 | 4,997 |
| 54,408 | 56,539 | 54,930 | 69,136 | 74,469 |
| 422 | 453 | 529 | 450 | 602 |
| 308 | 333 | 308 | 268 | 278 |
| | | | | |
| 148 | 148 | 148 | 148 | 148 |
| 21 | 21 | 21 | 21 | 21 |
| 454 | 454 | 454 | 451 | 454 |
| 4,002 | 4,062 | 4,062 | 4,062 | 4,062 |
| 22 | 22 | 23 | 22 | 22 |
| 4,330 | 4,330 | 4,331 | 4,181 | 4,201 |
| 18 | 18 | 18 | 18 | 18 |
| | | | | |
| 316 | 316 | 316 | 316 | 316 |
| 97 | 97 | 97 | 97 | 97 |
| 67 | 67 | 67 | 67 | 67 |
| 22 | 22 | 22 | 22 | 22 |
| 3,941 | 3,941 | 3,941 | 3,941 | 3,941 |
| 4 | 4 | 4 | 4 | 4 |